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# THE JERUSALEM POST

TUNE TO THE BACKWEB THE JERUSALEM POST CHANNEL

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### Review of the Hebrew Press

Page 4

### After Hong Kong, Taiwan?

World News, Page 5

### Montreal wins Battle of Canada

Sports, Page 12

### Index

Business	9
Crossword	13
Movies/TV	13
Opinion	6
Sports	12
World News	5



IDF medics attend to two comrades wounded by a pipe bomb in Hebron yesterday.

## PM, Levy agree to meet today

**By JAY BUSHINSKY and MICHAL YUDELMAN**

The last act in the political drama starring Foreign Minister David Levy, in which Prime Minister Benjamin Netanyahu is the top supporting actor, may unfold in the Knesset today, when the two hold a private meeting billed as the climax of their ongoing confrontation.

It was put on their respective official schedules only after their respective go-betweens - Avigdor Lieberman, director-general of the Prime Minister's Office, and Ya'acov Bardugo, the foreign minister's outgoing political aide - agreed on a formula that may enable them to work together again.

The components were not revealed, but Netanyahu indicated that one of Levy's main demands may be met, and he will be given overall responsibility for the conduct of peace talks with the Palestinian Authority.

"I believe the most natural thing from my standpoint is that the foreign minister guide the daily work between us and the Palestinians," Netanyahu said, in a speech to municipal leaders. "I believe a way will be found to implement this."

It was not clear whether Levy's other conditions for burying the hatchet also will be fulfilled. They include dissolution of the prime minister's most intimate policy-making forum, the inner security cabinet - also known as his "kitchen cabinet" - and disparaged by Levy as the "kitchenettes" - and assurances there be no more clandestine meetings between his cabinet colleagues and senior Palestinian officials unless he is informed of them in advance.

Levy's demand to abolish the inner cabinet remains unresolved, as National Infrastructure Minister Ariel Sharon, the candidate for finance minister, is conditioning his taking the job on joining this forum, as Netanyahu promised him.

Netanyahu is expected to either abolish the inner cabinet, as Levy demands, or change the way it works, but hold more consultations with Sharon, to make him part of the decision-making process, government sources said.

Sharon told reporters last night that he would not agree to meet with PA Chairman Yasser Arafat, but would be prepared to confer with other Palestinian officials. Referring to his meeting two weeks ago with PA Deputy Chairman Mahmoud Abbas, Sharon said its purpose was to notify the Palestinians of the government's position with regard to the permanent arrangements, and to explain the significance of the security areas that Israel cannot relinquish.

Leader Rafael Eitan said he intends to run for prime minister in the next elections, in which Tsomet plans to run separately from the Likud. Eitan agreed with Levy's demand to abolish the inner cabinet - otherwise, he said, he, too, should be part of the highest decision-making forum.

The National Religious Party's central committee, which held a meeting summing up the government's first year, yesterday came out in support of the government and against early elections. The NRP leadership also demanded it be represented in the inner cabinet.

The final stages of the Netanyahu-Levy flap coincided with leaks to the news media concerning the renewal of cooperation on security matters between Israel and the PA.

Sources in the prime minister's bureau refused to comment about the terms of an agreement reported-

## Hebron pipe bomb wounds 2 soldiers

**By MARGOT DUDKOVITCH**

Two IDF soldiers were wounded by a homemade pipe bomb thrown at them in Hebron's casbah area yesterday afternoon, some 150 meters from Beit Hadassah.

The IDF Spokesman said one soldier was seriously wounded and the other suffered moderate to light wounds, mainly from shrapnel.

Both soldiers were taken to Hadassah-University Hospital in Jerusalem's Ein Kerem. A hospital spokeswoman said last night that the soldiers were treated in the trauma unit and that one of them had undergone surgery.

Later in the afternoon, another pipe bomb was thrown at a Border

## IDF condemns PA reluctance to fight Hebron violence

**By ARIEH O'SULLIVAN**

The IDF considers the bomb attack in Hebron yesterday a serious escalation in the conflict and instructions have reportedly been issued to forces there to react more firmly to violence.

The commander of IDF forces in Hebron, Col. Gadi, accused the Palestinian Police of not attempting to stop the rioting.

"We are talking of a very grave phenomenon in which the Palestinian Police is not doing enough, not doing anything, to prevent [rioting]," Gadi told reporters in Hebron. "I don't want to say they are encouraging it, but they are turning a blind eye to it."

"We are not going to show any patience against any demonstration of any kind and we will act with an iron fist," Gadi said. "I presume you'll see this later."

Army Radio reported that troops in the city have been ordered to use more force to quell riots. But sources in the Central Command said that no new orders were given.

Col. Gadi's sentiments were echoed by Defense Minister Yitzhak Mordechai, who called on the Palestinian Authority to do more to reduce tensions in Hebron.

"We are demanding the PA and those responsible for security in Palestinian-controlled areas act more intensively. If they did, it would be possible to reduce fur-

## Mubarak: Breakthrough in Mideast talks in 10 days

**ABU SIMBEL, Egypt (AP)** - President Hosni Mubarak said Monday there could be a breakthrough in the stalled Palestinian-Israeli peace talks within 10 days.

In Israel, meanwhile, Channel 2 reported last night that Prime Minister Benjamin Netanyahu and Palestinian Authority Chairman Yasser Arafat would meet next week in Cairo, citing diplomatic sources.

"I think in the past two weeks there were some contacts between Palestinians and Israelis. I am not in the position to reveal any of that... I hope that they could conclude something within one week or 10 days," Mubarak told reporters during a trip to southern Egypt.

Mubarak said that his country is behind the resumption of contacts between Israelis and Palestinians. "We opened the door, and let them work," he said.

Asked if his political adviser, Osama el-Baz, is going to resume shuffling between Israelis and Palestinians, Mubarak said: "Not yet."

### IDF removes Gaza memorial to slain soldier, Page 2

Police post, but no injuries or damage were reported.

Last night there were conflicting reports regarding the number of Palestinian casualties. Some sources said 15 were wounded and others claimed scores were hurt, including one seriously wounded by a rubber bullet fired by IDF troops.

Rioting erupted in the casbah alleys and on Shallah Street yesterday morning, as scores of Palestinians threw stones, bottles and firebombs at IDF troops and border policemen. The violence escalated towards noon, when two homemade pipe bombs were thrown at the troops. Crews from

Channel 1 and Channel 2 filmed the scene as one pipe bomb exploded and wounded the two IDF soldiers.

No Palestinian policemen were present to quell the rioting, although the Palestinian deputy commander in Hebron, Col. Awni Natche, reportedly said his forces were doing their utmost to prevent the clashes by preventing people from reaching the scene.

The fierce clashes once again illustrated the cat-and-mouse game that continues between IDF soldiers and Palestinian rioters, since the IDF cannot pursue the rioters into the area under Palestinian control.

According to the Palestinians, the rioting was a direct response to the leaflets that were pasted on Palestinian storefronts over the weekend that depicted Mohammed as a pig.

But Noam Arnon, spokesman for the Hebron Jewish community claimed the riots were the result of calls by Palestinians for the Jews in Hebron to be ousted.

Arnon charged that Prime Minister Benjamin Netanyahu and President Ezer Weizman had fallen into the trap by apologizing for and condemning the leaflets.

"They forget the continuous attacks suffered by the Jewish community in Hebron over the past few months," Arnon said.

Also yesterday, Aharon Domb, secretary-general of the Council of Jewish Communities in Judea, Samaria and Gaza, met with five Arab dignitaries from the Hebron area.

See PIPE BOMB, Page 2

See VIOLENCE, Page 2

## IDF doctor saves life of Palestinian boy

**By ARIEH O'SULLIVAN**

An IDF doctor serving in a paratroop unit in Samaria saved the life of a six-year-old Palestinian boy who fell from a tree and suffered a fractured skull and possible brain hemorrhage.

The doctor then drove in a Palestinian ambulance to Nablus to make sure he received proper treatment.

"This is how we are trained," the doctor, Capt. Dr. Dror Mendel, said in a telephone interview. "We save a person and it doesn't matter who they are. The medical considerations come first, not the political or the military. God help us if it were otherwise."

According to Mendel, the boy, Ziyad, had been playing in a tree Monday when he fell and smashed his head on a stone. The boy's family lives in an isolated mountain valley about four kilometers from the IDF base and the father carried his unconscious son either in his arms or on the back of a donkey to the front gate seek-

ing help.

Mendel said that, when word reached him, he ran to the gate to make sure the guards would admit him immediately. "His scalp was opened and I feared he had fractured his skull and may be hemorrhaging in his brain," Mendel said.

The doctor said he called for an IAF helicopter to take the boy to an Israeli hospital, but it was decided to take him to nearby Nablus after a summoned Palestinian ambulance arrived at the base. Mendel and an IDF medic rode in the ambulance to continue treatment and an IDF ambulance followed.

"There were fears [about entering the Palestinian-controlled areas], but on the way the medics let the Palestinian Authority know

we were coming," Mendel said. He stayed with the ambulance until they reached a Palestinian Police roadblock about a block from the hospital, then returned to base in the IDF ambulance.

Mendel said the boy underwent surgery, had regained consciousness, and is out of danger.

"It doesn't matter if I am in the IDF or not. I'm a doctor," said Mendel. "Treating someone, no matter who they are, is not a problem for me. It has human value."

He added that similar cooperation like this rarely gets reported and insisted his actions were not an exception. "The public doesn't know about this, so it seems extraordinary. With all the conflicts we have, positive acts have to be told."

## Gov't spokesmen miffed about their new cyber-listings

**By JUDY SIEGEL**

Carrying "accessible government" to new heights, the new Internet site of the Prime Minister's Office lists the cellular phone, beeper, fax and direct office phone numbers of most government spokesmen.

Not all the spokesmen, however, were pleased to learn that their phone numbers are now accessible to hundreds of millions of Internet users, and said they would ask that their numbers be removed.

"No one asked me," said Foreign Ministry spokesman Danny Shek, upon learning his cellular phone number was listed. "Doing so was out of place. I will ask [Government Press Office director] Moshe Fogel to remove it."

Justice Ministry spokeswoman Etti Eshed was just as disconcerted by the news.

"I can understand that government offices should be open to all, but now we'll get hundreds or even thousands of unnecessary calls at all times of the day and night. We work round the clock as it is," said Eshed, who added that she, too, would ask to have her numbers removed.

Other spokesmen seemed less concerned. Moshe Eilat, an adviser to the deputy housing minister, said he would not ask to be struck off the list because "I want to be accessible. And I keep my cellular phone open 24 hours a day."

Internal Security Ministry spokesman Rafi Levy, agreed that "it's no problem. I leave my cellular phone on 15 hours a day, and I regard myself as a public servant."

Although the list, compiled by the Government Press Office, is meant for journalists, GPO director Moshe Fogel said that including it on the site was not an error.

"Our policy is an open government. These numbers, as well as MKs home numbers, appear in numerous booklets that are freely distributed, he said, though he conceded that their print distribution is minimal compared to the potential audience on the Internet.

Fogel dismissed the notion that publicizing spokesmen's cellular phone numbers could pose a security risk, even though there have been numerous reports in recent years of such bugging taking place.

Fogel said, however, that if any spokesman asked to have his or her numbers removed from the list, he would do so immediately.

The Internet site (<http://www.pmo.gov.il>) was produced and is maintained by the department for communications and policy planning in the Prime Minister's Office, headed by David Bar-Ilan, which did not inform the spokesmen or ask their permission.

The editor of the site is Bar-Ilan's deputy Michael Stoltz (whose own Pelephone, beeper and office numbers are on the list). Bar-Ilan, who narrates a video message on the site and whose cellular phone number is not listed, could not be reached for comment yesterday.

### To our readers

As a result of our expanded weekday newspaper, Money magazine will no longer appear as a pullout supplement.



# NEWS

in brief

## Netanyahu calls meeting on illegal building

Prime Minister Binyamin Netanyahu invited two cabinet ministers, Jerusalem Mayor Ehud Olmert, and senior security officials to a special meeting today to consider appropriate measures against illegal building activities in eastern Jerusalem. Among those asked to attend were Internal Security Minister Avigdor Kahalani and Justice Minister Tzahi Hanegbi.

This initiative was prompted by indications that the construction was being financed by the Palestinian Authority, evidently due to legal loopholes that make this possible. *Jay Bushinsky*

## Jordanian arrested for antisemitic sign

Acting on a complaint lodged by Israeli visitors to Amman, the Jordanian authorities arrested the owner of a local supermarket for allegedly posting an antisemitic sign at its entrance.

Shocked by the sign, which read "No Jews or Dogs," the Israelis notified the Jordanian Embassy in Tel Aviv upon their return. The embassy contacted Foreign Minister Faiz Tarawneh, who promptly alerted Interior Minister Nadhir Rashid.

The storeowner was taken into custody at once. *Jay Bushinsky*

## Soldier fired twice to kill comrade

The soldier suspected of murdering a fellow sergeant over the use of a telephone on June 21 was remanded until the end of his trial yesterday. Military prosecutors told the court that Staff-Sgt. Shahar Cohen fired twice at Staff-Sgt. Alfred Cohen, once to immobilize him and once again to confirm he was dead.

"I thought he moved," Shahar Cohen was quoted as telling military investigators. He is being charged with premeditated murder. *Arieh O'Sullivan*

## Beilin: I never even met Ben-Ari

MK Yossi Beilin (Labor) was summoned to give evidence at the National Crime Squad's Petah Tikva headquarters in connection with the Zvi Ben-Ari (Gregory Lerner) case. Police believe that Ben-Ari, who is being investigated for financial offenses, tried to gain influence by making large donations to the Labor, Likud, and Yisrael Ba'aliya parties.

Beilin, who headed Labor's campaign to attract new immigrants' votes in the 1996 elections, was asked if Ben-Ari offered him free air time on Russian satellite TV. Beilin responded that he had never met Ben-Ari.

Police are trying to find out, via politicians, if Ben-Ari actually donated money to politicians to help them in their election campaigns. Next week police are expected to question Yisrael Ba'aliya MKs — including Natan Sharansky, Roman Brodman, Yuli Edelstein, and Yuri Stern. *Raine Marcus*

## Five-year-old injured in accident dies

Guy Avilkosh, 5, who was injured in a hit-and-run accident on Saturday afternoon, died yesterday in Tel Aviv's Ichilov Hospital. Police are asking that any eyewitnesses to the accident contact police.

A man driving his car was killed in a collision with a truck on the Arava road early yesterday. He is said to have suddenly swerved out of his lane before the crash. *Itim*

## Crop-dusting pilot killed in crash

Ben-Zion Zohar, 61, of Moshav Oranit, was killed early yesterday morning when his plane crashed while spraying crops in a field at Kibbutz Revadim. Zohar, a veteran Israel Air Force pilot who was decorated for service in the Six Day War, reportedly ignored a plea from a friend not to fly in the foggy conditions. *Itim*

# IDF removes Morag memorial

By MARGOT DUDKEVITCH and JON IMMANUEL

The IDF removed a memorial to slain IDF soldier Yehuda Levy on disputed land near the Morag settlement in Gush Katif yesterday after Palestinians protesting at the site removed their tents.

Early yesterday morning, IDF troops removed the monument at the Gush Katif junction, saying a mistake had been made in allowing it to be erected.

Defense Minister Yitzhak Mordechai said the memorial would be moved to Gush Katif, with the approval of Levy's family.

Last night, settlers in Gush Katif outraged at the IDF's action returned to the junction and placed several stones and an Israeli flag at the spot where the monument had been.

The settlers erected a tent by the site and declared a few families would remain there during the night, to prevent the stones from being removed.

They also put a 10-meter banner on the rooftop of the white house, a building adjacent to the junction, proclaiming the junction's name would remain Yehuda Junction.

The settlers demanded that the IDF reinstate the memorial that was erected in the memory of

Levy, who was killed at the junction during Palestinian riots last September.

Angered at the removal they claimed was carried out in the middle of the night, they charged it was inconceivable that the Palestinians who murdered Levy should decide where a monument in his memory should be erected. Head of the Gaza Regional Council Aharon Tsur said yesterday that the monument had been stolen by the IDF and demanded its return.

"It is not theirs, they don't own it, and I demand its return," he said.

The removal of the memorial

was taken by Palestinians to be a tacit admission that the land on which it was put was under PA control.

The IDF Spokesman said the previous evening that no deal had been made to end the three-week standoff and that the land was under IDF authority, although Mordechai had said it was under PA Civil control.

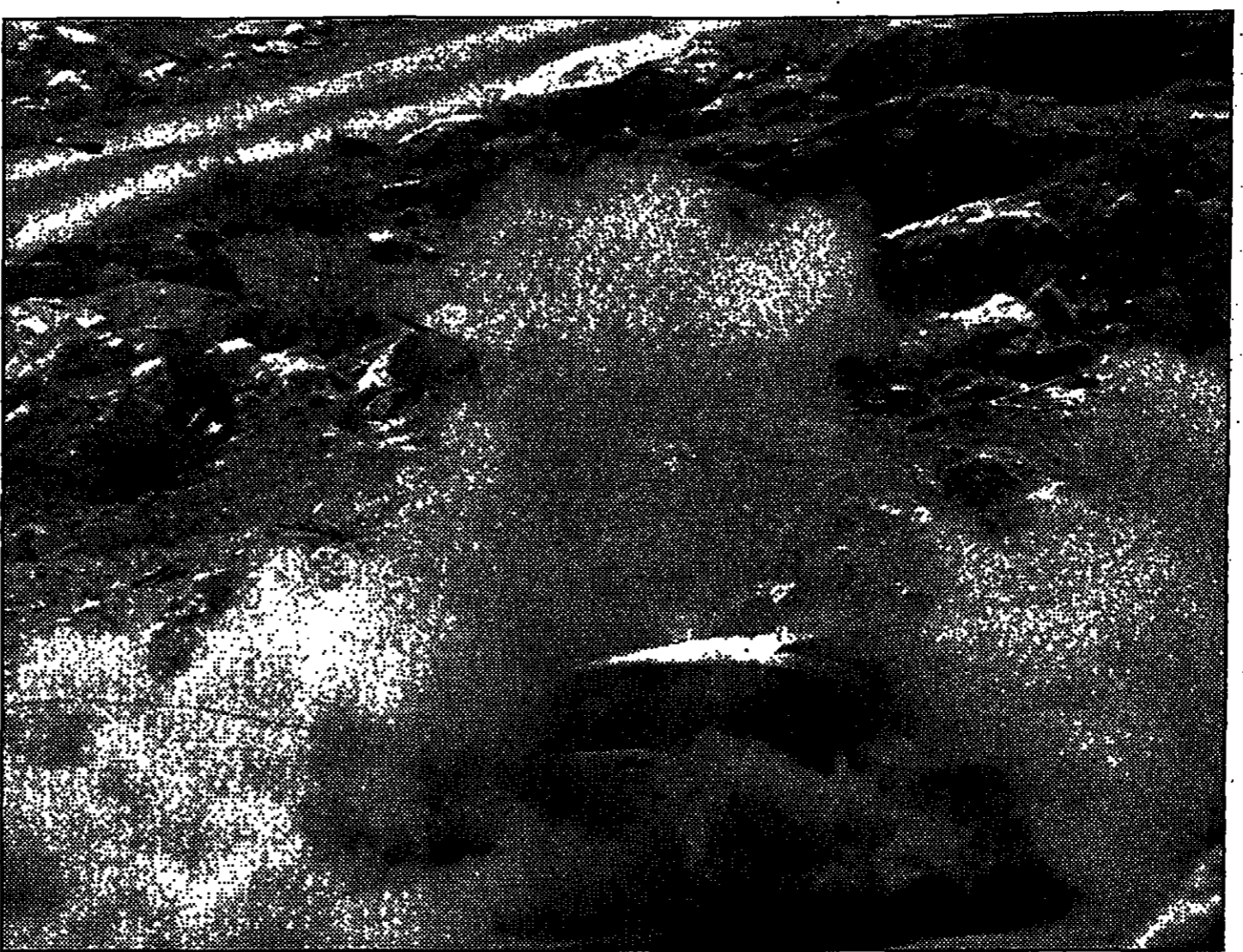
OC Southern Commander Maj-Gen. Shlomo Yanai, stressed at a press conference yesterday morning that the decision to remove the monument had been made after a thorough investigation had been carried out. Yanai denied that any sort of agreement had been made

with the Palestinians who took down their protest tents in Morag, stressing there was no connection between that and removing the memorial.

However Gush Katif settlers maintained that Palestinians at Morag told them that they had left the area after an agreement had been reached with the IDF.

On Arutz 7 yesterday, Yaffa Levy, mother of Yehuda, said the family was shocked that the monument had been removed, adding that no one had informed them of the decision.

However, at the press conference, Yanai said the IDF had informed the family.



## Suspicious object alert

Smoke and debris fly as a suspicious-looking car is blown up by police sappers yesterday near the entrance to Ma'aleh Adumim. (Reuters)

## Israeli Arabs mull ways to protest offensive leaflet

By DAVID RUDGE

Israeli Arab leaders are considering calls to take further measures to protest the leaflets distributed in Hebron depicting Mohammed as a pig writing the Koran.

The so-called monitoring committee of the Israeli-Arab leadership, composed of MKs, local council heads, and public figures, is to meet in Shifaram tomorrow to discuss various proposals.

Committee spokesman Abed Inbitawi said Tourism Minister Moshe Katsav, the minister responsible for Arab affairs, phoned forum chairman Ibrahim Nimr Hussein yesterday to apologize for the leaflets.

"The minister denounced the leaflets and those behind them and said that as a religious person himself, he saw this as incitement not just against Muslims but against all religions," said Inbitawi.

"In our opinion, these leaflets represent a danger to democracy in Israel from the forces of extremism and fascism and everything should be done to uproot this phenomena," he said.

The monitoring committee has called on the government to 'break the deadlock in the peace process and move forward, as a symbol of its good intentions, and to recognize the rights of Palestinians to have a state of their own, with the capital in east Jerusalem.

Furthermore, committee members have demanded the removal of all settlers in the Gaza Strip and the West Bank, especially those in the heart of Hebron.

Meanwhile, Jerusalem Magistrate's Court remanded for five days Tatiana Susskind, 25, of Jerusalem, who is suspected of distributing the offensive leaflets, Army Radio said.

Reuters adds: In Cairo, a top Egyptian Moslem cleric said yesterday the person who drew the leaflets depicting Mohammed as a pig must be killed.

"Anyone who is proved to have drawn this ugly picture of the prophet of Islam... should be killed according to Islamic law," said Mohammed Sayyed Tantawi, Grand Sheikh of the Cairo-based al-Azhar mosque.

## Religious want inquiry into 'seditious' poem

By LIAT COLLINS

The religious parties in the Knesset are demanding that an inquiry be held into the distribution of a poem at Saturday night's demonstration in Tel Aviv held under the slogan "Stop the haredim."

Shas MK David Azouli said the poem, which had a refrain of "schmor, schmor," and accused the

haredim of "breeding" and "scrounging off the state," was inflammatory and seditious.

"It's a blood libel against the haredim," he said.

Coalition chairman Michael Eitan has asked Attorney-General Elyakim Rubinstein to investigate who was behind placards at another demonstration Saturday, this one calling for early elections.

## US drops Israeli liaison officer at Midwest base in cost-cutting move

By HILLEL KUTTLER

WASHINGTON — The US Army, in a cost-saving move, is eliminating the position of the Israeli liaison officer posted at a base in the Midwest that produces tanks and other tracked combat vehicles.

The Israeli officer, Lt.-Col. Eli Davidpur, completed his three years of service yesterday at the Tank-Automotive and Armaments Command (TACOM) in Warren, Michigan, the same base where Army engineer David Tanenbaum

worked when the FBI investigated him for allegedly passing classified information to every Israeli liaison officer there over the last 10 years.

Tanenbaum, who denied the charges, has been on unpaid leave since February.

Army spokesman Lt.-Col. Ray Whitehead stated yesterday that eliminating the position does not reflect on Davidpur and is unconnected to the Tanenbaum case. An Israeli embassy official said "there is no reason not to accept this explanation" and added that the

officer will join the embassy's military staff in the coming months.

Whitehead estimated that about a half-dozen other Israeli liaison officers are posted throughout the country to help oversee joint military production. He said that they are unaffected by the cut.

"The rationale behind that decision is because of the reduced mission load at TACOM and there was not enough FMS [foreign military sales] work with the Israelis to justify a full-time liaison officer there," he said.

"I don't think there is any linkage," Whitehead said, adding that in conversations with his superiors, "they said this decision is based on workload" issues alone and could be reversed depending on future demands.

"This decision was made in a letter to the Israeli military attache in Washington [Maj.-Gen. Yoram Yair] — that should a need arise, a full-time officer would be reinstated there. If the US and Israel agree to a sale of M-1 tanks, for example, a full-time liaison officer would be reinstated there."

## ANALYSIS

# Government moves to reduce tension with Syria

By GERALD M. STEINBERG

Quietly, without fanfare or ceremony, the government has made an important and unilateral first move in establishing a foundation for cooperation and reduction in tensions with Syria. This consisted of a relatively simple action — the prior announcement of routine military training exercises that take place in the Golan Heights.

Last year, in the middle of a crisis between Damascus and Jerusalem, both Israel and Syria held large-scale exercises. The movement of Syrian commando units from Lebanon to the Mt. Hermon observation posts created additional tensions and fears of surprise attack on both sides. The official Syrian press warned of an impending Israeli first strike. This led to heightened Israeli perceptions regarding a possible Syrian attack, claiming to be in response to an impending Israeli first strike. In October 1973, the annual Syrian and Egyptian training exercises provided the camouflage for preparing the surprise attack that marked the beginning of the Yom Kippur War.

As a result of these factors, last Fall, the Defense Ministry decided to provide information on the scope of the exercises to Damascus, via Washington. Similarly, before beginning this summer's military training program in the Golan, the Israeli gov-

ernment again informed the United Nations and Syria. As a result, when the maneuvers started, nobody was caught by surprise, and there was little doubt regarding Israeli intentions.

If the IDF was planning a surprise attack, it would hardly have announced the dates and plans in advance.

The prior announcement of military exercises is a primary example of what has come to be called Confidence and Security Building Measures (CSBMs). In many other conflict frameworks, the development of CSBMs has been a critical first step towards conflict management. In Europe, such steps, including pre-announcement of military exercises, were an important part of the Conference on Security and Cooperation in Europe (CSCE). Similarly, the leaders of Pakistan and India have recently agreed on a series of measures to lower tensions and the risk of conflict between them.

In the Middle East, the efforts to develop some rules of the road and CSBMs to prevent misunderstandings and accidental war have been the focus of the multilateral working group on arms control and

regional security (ACRS). The participants agreed to create a regional crisis management communication system, and discussed other forms of CSBMs. However, Syria never joined these discussions, and for over two years, Egypt has blocked progress.

In this context, the significance of the Israeli decision to begin the CSBM process with Syria unilaterally by announcing military exercises in advance can be understood. In an region plagued by a long history of warfare and violence, and in the context of the intense distrust that exists between Jerusalem and Damascus, the process of conflict management must begin with small unilateral steps. To prevent misunderstandings, on occasion, political and military decision-makers have to broadcast their intentions.

This is precisely what Israel has done.

Now, the question is whether the Syrians will provide information, well in advance, of planned military exercises and unusual troop movements near the Golan and in Lebanon. If the government in Damascus takes such an action, it would create the basis for further CSBMs, including agreed limits

(explicit or tacit) on the size of forces involved in maneuvers, and, later, the presence of observers at such training exercises. In the Mediterranean Sea, potential CSBMs include measures to avoid accidents between naval craft and cooperation in search and rescue missions.

The role for CSBMs is not confined to relations between Israel and Syria.

Eighteen years after the Egyptian-Israeli Peace Treaty, the military build-up continues. In October 1996, the Egyptian military held its largest exercises (Badr 96) since the end of the 1973 Yom Kippur War, including a large number of recently acquired advanced American weapons. These exercises took place in the area near the Sinai, and were clearly aimed at a possible confrontation with Israel. Although 200 kilometers of demilitarized desert separate the Egyptian and Israeli forces, the growing Egyptian military capability creates the possibility that in

the future, a process that escalates out of control could conceivably lead to a disastrous confrontation.

During the 18 years of increasingly "Cold Peace" in Cairo, no CSBMs have been implemented. The two sides do not exchange information regarding military maneuvers and there are no "rules of the road" or measures to prevent miscalculation or surprise attack. Now, with renewed Egyptian interest and involvement in the peace process, there may be a window of opportunity to improve the level of confidence and security along the Cairo-Jerusalem route. In contrast to the delicate and uncertain situation with respect to Syria, the Egyptian-Israeli relationship allows for a series of formal and explicit bilateral CSBMs.

Prof. Gerald Steinberg is a member of the Political Studies Department at Bar Ilan University, and a Senior Researcher at the Begin-Sadat Center for Strategic Studies.

## VIOLENCE

Continued from Page 1

Preventing casualties on both sides was a top priority, since the IDF feels the Palestinians would be able to exploit Palestinian casualties to ignite further unrest.

Due to the escalation in violence, Amon said, the Hebron Jewish community plans to hold an emergency meeting tonight to discuss the continuing riots and discuss the building freezes forced upon the community.

## PIPE BOMB

Continued from Page 1

Ramat Zion extends its sympathy to Joe Romanelli on the loss of his **FATHER**

We express our sincere condolences to Alfredo Yacobovski on the death of his **FATHER**  
Management and Staff of The Jerusalem Post

With great sorrow we announce the passing of our dear husband, father, brother and grandfather **KURT (Ya'akov Meir) LANDES**  
The funeral took place on Tuesday, July 1, 1997.  
The family  
Shiva at 32 Rehov Kubovi, Ramat Denya, Jerusalem (Tel. 02-641-1435)

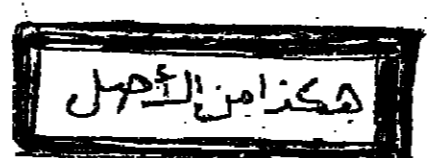
## ARRIVALS

The Chairman of the International Board of Trustees of the Israel Tennis Center, Mr. Seymour Brode, his wife Dee and family, from Southfield, Michigan, for meetings with Israeli board members and senior staff.

## SOCIAL & PERSONAL

THE WEEKLY MEETING of the English-speaking Jerusalem Rotary Club will take place tonight, at the Holiday Inn Hotel for a change-over dinner. Visiting Rotarians are welcome.

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# Knesset panel okays grants to territories

By DAVID HARRIS

The Knesset Finance committee gave its consent yesterday for a bill to be considered high-priority development areas. This follows the December 13 government decision on the issue.

This will enable areas across the Green Line to receive grant aid and other preferential treatment currently afforded to the Golan, Galilee, Negev, and Jordan Valley. This is a return to the policies of the previous Likud government, which were canceled under the Rabin government.

A handful of businesspeople already have expressed interest in receiving the additional aid for investors, according to Investments Center director David Baruch.

Opposition MKs expressed their anger at the implications and result of the vote, which the coalition won by nine to seven.

"This decision is wretched, unnecessary, and taken with such awful timing," said MK Ophir Pines (Labor).

He also claimed the additional funding for Judea and Samaria

will come at the expense of funding to the existing high-priority areas.

Baruch told the committee there is no foundation whatsoever to this claim. Given the current overall decline in investments throughout the country from domestic and foreign entrepreneurs, there is "plenty of money left in the pie" for Judea and Samaria, without causing any loss to the existing recipient areas, he said.

"There is no need to worry about the money coming from the budget for development towns, despite the opposition claims that this money will be removed from the likes of Kiryat Shmona," MK Michael Kleiner (Gesher-Likud) said.

Leader of the opposition on the committee Avraham Shohat called the decision "a death blow to the Negev and Galilee."

The opposition members of the committee called for a second vote, which was scheduled for today. This should be a formality, with the coalition once again ensuring approval by bringing in their full complement of MKs for the vote.

## Knesset marks Gay Pride Day

By LIAT COLLINS

Transsexual singer Dana International stood up the Knesset Committee on the Status of Women yesterday, failing to appear at a meeting of gays and lesbians to mark International Gay Pride Day. She had a good, though unexpected, excuse: she was busy filming a children's program.

In her absence, the other guests and MKs had to make do with the screening of clips of her songs. The singer sent a letter of apology to chairman Yael Dayan (Labor), whose committee organized the annual event, saying of the reason for her absence: "Four years ago, when I started my career, that seemed impossible. I fought prejudices and racism in a public which invalidates a person because of external appearance." She noted that her first planned appearance on Israel Television



Labor MK Avi Yehezkel shakes hands with Itzik Yosha, chairman of the Association for the Protection of Personal Rights, at yesterday's meeting of the Knesset Committee on the Status of Women. (Isaac Harari)

was canceled at the last minute. Dana was not the only person not to turn up yesterday. Deputy Health Minister Shlomo Benizri (Shas), who passed by the lecture hall where the meeting was held, moved on quickly, saying, "before I catch some virus."

## Hundreds attend PA police victim's funeral

By JON IMMANUEL

The man who died shortly after being arrested by Palestinian Authority Chairman Yasser Arafat's Force 17, apparently for insulting an officer's wife, was buried yesterday; hundreds attended the funeral and demanded punishment.

The trial in a security court of eight Force 17 members, whose arrest Arafat ordered three days ago, continued through last night.

The highest ranking member arrested, Col. Abu Nasser Freihat, denied he had given an order for Nasser Radwan's arrest nine days ago after Radwan complained to Freihat's wife that she dressed immodestly.

However, earlier reports said the dispute was between Radwan, a 28-year-old father of three, and Freihat's own bodyguard, Mahmoud Zayyad, who arrested him.

The night Radwan was arrested he fell into a coma after a severe blow to the head; other signs of extreme torture were found on his body. He died Monday without regaining consciousness.

Islamic activists - shouting, "Allahu Akhbar" and "Punishment for the killers" - attended Radwan's funeral, although he was not a political activist himself. Police also attended the funeral.

His death brought to 14 the number of Palestinians who have died in PA jails. Yesterday a 15th death was reported. Sami Abded Rabbo, who was arrested in February as a suspected collaborator, died from a blood clot in Gaza central prison. Rabbo, a 40-year-old father of six from Jabalya village, was thought to have died of an illness aggravated by his time in jail, the Palestinian Human Rights Monitoring Group said.

## ACRI slams human-rights abuse of Israeli Arabs, foreign workers

By JON IMMANUEL

The Association of Civil Rights in Israel released its annual report yesterday, saying the worst civil rights violations involved discrimination against Israeli Arab citizens.

It also prominently noted some signs of increasing the monopoly enjoyed by the Orthodox Jewish establishment and the dismal treatment of foreign workers, though it also took note of steps taken to prevent sexual harassment in the IDF and violence against women.

"The trend toward narrowing gaps and enhancing integration that began during the period of office of the previous government has been halted over the past year," the report said.

ACRI went on to say that "allocation of preferential budgets is necessary to promote genuine equality" but government plans "actually strive to limit and impede their development."

When he took office a year ago, Prime Minister Binyamin

Netanyahu declared that it was a major intention of his government to redress inequalities between Jew and Arab in Israel.

ACRI legal adviser Dan Yakir said there is discrimination, even segregation, in the policy of land sales, which do not permit Arab citizens to buy land in moshavim.

ACRI condemned the administrative detention of 250 Palestinian residents of the West Bank.

Foreign laborers also suffered human rights abuses. Brought in for economic reasons by employers, they do not merit the same treatment by police as Israeli citizens. "Conditions have emerged that represent fertile ground for infringements of the rights of these workers," the report said, noting specifically their having to remain with a specific employer while in the country. This gives the employer almost total control over his employees' movements.

Police, for example, have ignored complaints about employers' confiscations of passports.

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# NEWS

in brief

### Bardugo new Mifal Hapayis head



Ya'acov Bardugo, former aide to Foreign Minister David Levy, took over as director of Mifal Hapayis yesterday, after serving as director of administration and economics for the union of local authorities and chairman of its employees' sabbatical fund board since 1994. Bardugo, who studied law and political science at Tel Aviv University, also headed Project Renewal in Lod from 1986-1989.

### Plans under way for US-style university here

Touro College officials are working on plans to build an American international university here that would offer a fully accredited US degree program in English. Instruction would be in English, with students drawn from overseas and attempts made to keep annual expenses for the program down to \$10,000. Ra'anana has expressed interest in having the campus built in the city, and Dr. Bernard Lander, president of Touro College, said the city would be "ideal" for the project. Lander said a study commissioned by the college on the idea showed it would be "one of the most effective ways of attracting marginally involved Jewish youth to a positive Israel experience."

### Agency appoints new department heads

Mike Rosenberg was appointed yesterday to head the Jewish Agency's Immigration and Absorption Department. Rosenberg, 48, of Kibbutz Ma'aleh Hahamisha, ran the kibbutz hotel until recently, headed the United Kibbutz Movement's international department from 1991-95, and was a member of the agency's Board of Governors. Yigal Yerushalmi was appointed the new director-general of the agency's department of Rural and Urban Development. Yerushalmi, 53, was deputy director of the department and headed its Negev division.

### Agency delegation to meet chief rabbis

Members of the Jewish Agency Board of Governors' Committee on the Unity of the Jewish People, headed by Agency Chairman Avraham Burg, will meet with Chief Rabbis Yisrael Meir Lau and Eliahu Bakshi-Doron today at the offices of the Chief Rabbinate in Jerusalem to discuss Jewish identity and unity. According to an agency spokesman, the committee was created in February to deal with matters surrounding the conversion bill.

### Early airport check-in will cost NIS 10

Airline passengers using early check-in services will be charged a NIS 10 fee, the Airports Authority announced yesterday. In addition, several unidentified foreign airlines are to avail themselves of the early check-in facilities, the authority said. The Jerusalem facility will move from Center One to 7 Rehov Kanfei Nesharim in Givat Shaul and the Beersheba facility will be at Beit Noam, 21 Sderot Shazar. In Haifa, Rosh Pina, Eilat, and Kiryat Shmona, the facilities will be in the local airport terminals. The authority has also set up an electronic information service at (03)-972-3377 in Hebrew and (03)-972-3388 in English.

# Sharansky decries poll showing negative view of immigrants

By ARYEH DEAN COHEN

Calling it "the saddest thing that's happened to me in the 10 years I've been in Israel," Industry and Trade Minister Natan Sharansky yesterday expressed bitterness at the findings of an Israel Radio poll which found a significant number of Israelis had largely negative views of immigrants from the CIS.

Sharansky said that of all the unpleasant things going on in the country today, "the saddest and most painful is to see the poll results which clearly show Israelis rejecting immigrants."

The poll, which was released recently, found that a third of Israelis were "frightened" by immigrants, and that more than 40 percent think

that they get too much help from the government, while 63% are against encouraging mass immigration from the CIS. Appearing before the Knesset Immigration and Absorption Committee, Sharansky said he was "shocked" by the poll's findings, and noted the important contribution made by immigrants to Israeli society.

He said immigrants were now being seen as a "foreign, dangerous, competitive, and threatening minority." Sharansky said the poll undermined the fabric of Israeli society, and that the stigmas concerning immigrants from the CIS today were more serious than in the past, with talk of a "strategic threat," a Russian mafia, and even of a possible takeover of the country.

The minister called for a "total separation" between various episodes that arise - such as the investigation of Zvi Ben-Ari (formerly known as Gregory Lerner) - and a public which is more interested in getting to the truth.

He also complained that Israeli society now not only tied crime and prostitution to new immigrants, but also attached such stigma to leaders of the Jewish community in the CIS. He complained about media reports hinting that Vladimir Gusinsky, head of the Russian Jewish Congress, and Vadim Rabinovich, head of the Ukrainian Jewish community, had ties to the Russian mafia, adding, "if I meet with them, a story will immediately appear [in the Israeli press] saying that I aided the mafia."

Committee chairwoman Naomi Blumenthal said "the Lerner episode has worsened the standing of immigrants. Every other Russian immigrant is suspected of being a mafioso," she said. "As a result, businessmen from the CIS will think twice about investing here."

Blumenthal added that the survey results showed the failure of efforts to educate the public about the subject. "The Israeli public has not yet internalized the fact that the state has no raison d'etre without immigration," she said.

MK Yossi Sarid (Meretz) said it was the religious establishment which had caused Israelis to grow suspicious about immigrants, because they had questioned their

Jewishness. Sarid added that the fact that the Yisrael Ba'aliya Party limited its actions to work on behalf of immigrants indirectly contributed to the negative image of immigrants, and the public's attitude towards them.

Labor MK Sofa Landver, herself an immigrant from the CIS, told Sharansky: "You said very harsh things about [the plight of immigrants] to the previous government. Why are you quiet now, Natan? Why don't you, as a minister, get up and say the same things, but in the voice of a minister in the government, the voice of someone in Bibi Netanyahu's coalition. And if you ask me whom I blame, I blame the prime minister for [the results of] this poll."

## MKs allowed to use budget for offices in hometown

By LIAT COLLINS

The Knesset House Committee yesterday decided that MKs can use part of the budget they receive for keeping in contact with the public to rent parliamentary offices in their hometowns.

The budget amounts to NIS 35,000 per MK a year. In addition, MKs can receive a \$10,000 allocation for offices, bringing the total amount to more than NIS 70,000.

Although MKs claimed the \$10,000 is not enough to rent offices, the committee opposed raising the allocations, deciding instead that they could use part of the funds intended for keeping in contact.

Committee chairman Raphael Pinhasi (Shas) said the offices themselves serve to help MKs keep in touch with the public, and thus there is no reason not to use the funds.

MKs who rent outside offices do not see the extra money, but submit the rental contract with the Knesset paying the landlord directly.

The committee also voted unanimously to raise the wages of parliamentary aides from NIS 3,800 a month to NIS 4,500 a month.

A subcommittee is to meet soon with representatives of the aides to discuss demands that those who live outside Jerusalem be entitled to stay overnight at a hotel on the days in which the Knesset is in session.

## Jubilee celebrations seen as too Ashkenazi

By HAIM SHAPIRO

When Israel celebrates its 50th anniversary, will the extravaganzas feature Naomi Shemer or Haim Moshe?

There is no doubt that Shemer, a composer whose music is felt by many to typify Israeli society, will have an important role in the festivities.

But there are those who say that what Shemer really represents is the Ashkenazi establishment and that there should be greater representation from "the neighborhoods," a code word for those of Middle-Eastern descent.

Among those who opposed the current plans for the 50th anniversary celebrations was actor Ze'ev Revah, who said that an alternative committee had been set up by the Council for Culture and Arts in the Neighborhoods.

In response, Tourism Minister Moshe Katsav, who heads the Interministerial Committee on Ceremonies and Symbols and is thus in charge of the jubilee celebrations, yesterday asked the chairman of the foundation for the 50th anniversary celebrations, Gen. (res.) Yossi Peled, to convene a meeting with the representatives of the artists, including Revah, who complained that the plans were not representative of all of Israeli society.

Katsav said that he wanted the artists to bring their objections directly to those in charge of planning the events.



### Pirates beware

'Bat Kol,' the 8.5 meter sculpture by 26-year-old Nir Hod, was unveiled yesterday at Tel Aviv's Gan Meir. Some 2,000 confiscated pirate CDs form the skirt of the statue, whose aim is to jolt the public into awareness of the problem which bilks the recording industry of more than \$2 billion annually worldwide.

(Text: Helen Kaye; photo: Sivan Farag)



### Machine of nature

This anatomical study of shoulder muscles by Leonardo da Vinci, on loan from the royal collection of Queen Elizabeth II, goes on view at the Israel Museum this evening, part of a huge show devoted to four centuries of anatomical drawings entitled 'The Ingenious Machine of Nature.'

(Text: Meir Romzen)

## HEBREW PRESS REVIEW MICHAL YUDELMAN

### Levy's mislaid honor

While the never-ending cycle of coalition crises rolled on, press commentators stressed the equally recurring cycle of David Levy crises - a malady that erupts on an unforeseen point of honor or "principle," then settles into a fixed set of symptoms and fades away after perfunctory strokes-and-promises medication. It's a fixed malady, states Ha'aretz's Yoel Marcus: Levy's sulks are caused by an honor virus, which strikes with the frequency of a winter flu. "The rumor spreads swiftly in government corridors that our David's honor has been injured again and that he and his stricken honor are quarantined at home or in his bureau with only 'close aides,'" says Marcus. During his sulks Levy does not attend cabinet meetings, sees no one, and does not answer

telephone calls - especially from the prime minister, continues Marcus. When the nationwide commotion simmers down and the headlines of the deep crisis peter out - a cycle which takes four to 10 days - Levy "agrees to take two honor pills, or some comforts, and recovers." After 20 years of short-term sulks, Levy must now decide if he is a political leader or a national joke, writes Marcus. He is the only leader who has the political potential, in alignment with a significant number of Likud MKs, to shorten Binyamin Netanyahu's days in office now that the prime minister has lost the confidence of most of his ministers and party. If he had the courage to do so, Levy would find out that instead of pursuing respect, respect would be seeking him out.

says Marcus.

### Bounce bounce

Nahum Barnea in *Yedioth Aharont* describes the scene of Levy sitting in his Beit She'an home, surrounded by his court, incommunicado to the outside world, while his close aides pull him in opposite directions. Those with much to lose, like contractor David Appel and Mifal Hapayis director Ya'acov Bardugo, urge against quitting, while others, who do not have anything to lose, are pressuring him to walk out. Barnea assesses Levy's latest crisis as pointless, because Netanyahu's promises, even if they are written guarantees, will not be kept. Netanyahu will not change his spots at this stage. To accept any assurance from him is to accept a new bank loan which is issued only

so that a previous unpaid one can be cleared.

"Netanyahu's checks bounce," says Barnea. "He lives from one bounced check to another. You can bounce your eyes and live with it. But it's difficult to say I've lost my faith in the prime minister and stay. It's not worthy of respect."

Ma'ariv's Shalom Yerushalmi spills inside information about Levy's agenda. Levy will give Netanyahu another chance - until the end of the year - to advance the peace process, but Levy meanwhile will organize Gesher for elections. At the beginning of 1998, barring any change, he will quit the cabinet on the basis of the budget debate and call for early elections.

Ma'ariv's Shmuel Schnitzer says the match between Netanyahu and Gesher was doomed from the start: there was no love lost between them, but plenty of joint self-interest. This marriage of convenience inevitably brought little joy to either side, is marked by frequent fights, insults, threats of divorce, and extortion.

### Half ass

Yosef Lapid, of *Ma'ariv*, comments on the statement by Shas spiritual mentor Rabbi Ovadia Yosef that a man must not walk between two women or two donkeys, because women do not study Torah and whoever walks near them will become like them. It does not bother Lapid that Yosef may believe all that, although he doubts whether such classifications bring any honor to the Torah.

What really worries Lapid is that "there are ministers in the Israeli cabinet who are subject to the authority of Yosef in other matters regarding the fate of the state, including all the donkeys, camels, and women in it."

### Social gap

Ha'aretz's Hanna Kim returns to the resignation of Finance Minister Dan Meridor after the last economic conference in Caesarea, during which he clashed with Bank of Israel Governor Ya'acov Frenkel over the exchange rate band. But Kim observes, the economic policy

of Meridor and Frenkel, both fans of ultra-liberalism, is quite similar.

The Caesarea conference, although organized by the neutral Israeli Democracy Institute, is by no means a neutral gathering. It represents only the senior business and government decision-makers, neoliberals who talk of macro-economic progress, while totally ignoring the widening social gap.

Kim notes that nobody at the conference spoke of the failure - in the eyes of the electorate - of accelerated market liberalism and privatization in Britain and France. Nobody represented the rapidly crumbling status of the workers in Israel nor explored crucial issues, such as the effect of education and health on society rather than on the budget.

Why is it the economic leadership is always demanding selectivity in child allowances, but are staunchly against a similar selectivity in subsidizing employers? Why shouldn't a top Tel Aviv attorney and small business owner in Ofakim receive the same state subsidy? she asks.

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Turkey faces cash

BY STEVE BRANT

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Common ground on conversion

It is said that a journey of a thousand miles begins with a single step. The first meeting of the committee to develop a solution to the conversion bill controversy was an important first step. It is critical that the committee not only reach a solution to the immediate dilemma, but lead the way to addressing more fundamental forces threatening to divide the Jewish people.

lowest of political victories, at the expense of deepening the very rift that makes the conversion issue so wrenching in the first place. The concern of the Orthodox world, that differing standards of conversion may ultimately force them to consider large portions of Diaspora Jewry outside of the Jewish people, is a legitimate one. It is a concern, however, that cannot be addressed using a crude legislative cudgel.



The politics of pouting

If only David Levy could sing, what a hit he would have been in Kazablan, Israel's landmark musical of the '60s depicting the painful absorption of Moroccan immigrants a decade earlier. In the event, the lead went to Yehoram Gaon.

Levy's antics tend to obscure the fact that he is a highly intelligent political manipulator who has often displayed good political instincts, and an even rarer commodity — political courage.

executive office he has held. He began issuing his spoiled-brat ultimatums in 1981, demanding that prime minister Begin make him deputy premier. Begin, who had just set up his second government with a whisker-thin 61-vote Knesset majority, needed every last vote from his prospective coalition, and gave in.

Broken chord

My son was 12 when we arrived in Israel. From his first day in school, it was obvious that this was the country for him. He is a gifted musician, and Israel is a musician's heaven. The three boys he met on his first day at school are, to this very day, his closest friends and fellow band members. Hebrew came to him at what seemed like supernatural speed compared to the rest of our family.

David Levy has made a career out of issuing spoiled-brat ultimatums to harassed premiers

his depressed home town of Beit She'an. He soon shifted to the Likud, where he was coddled by Menachem Begin as the Likud's answer to the token Sephardim with which Labor habitually decorated its candidates lists.

When in 1977 the Sephardi protest vote brought the Likud to power after 29 years in opposition and eight electoral losses, Levy, the Likud's "professional Moroccan" par excellence, was rewarded first with the absorption then with the housing portfolio.

When Netanyahu was forming his government last year, Levy could have had any cabinet position he wanted that would have served the interests of his Geshet Party's constituency. But again, he insisted on the Foreign Ministry, where he has been a monumental flop.

Ours would have been a perfect ally, except that suddenly, my son's 'not Jewish'

Also, he is beginning to ask uncomfortable questions that never crossed his mind before, questions like: 'Where will I be buried if I die in Israel? Will I be buried in a Christian cemetery?' 'What happens if I want to get married?'

BACK in Colombia my children were not even aware that ours was a Conservative synagogue, as this is, nowadays, not much of an issue in many Diaspora communities.

Strangely enough, the tensions that once existed between Orthodox and non-Orthodox have practically disappeared in most of the world (with the exception of the usual fanatics on both sides). The "Great Divide" is basically an Israeli invention with a heavy political content.

LETTERS TO THE EDITOR

WELCOME TO MALAYSIA Sir, - It was with pleasure and nostalgia that I read Aryeh Dean Cohen's recent report on the encounter of Israeli high-school students with students in Malaysia.

English literature as a second major under my advisement. I certainly was looking forward to seeing him, his lively wife and his little daughter. What I never would have expected, however, was the sort of hospitality I received, not only from him, but from all the alumni/a back in Malaysia, some of whom I had never taught, who called, came to take me around town, to visit, to invite me to their homes. It was the greatest lesson in hospitality I have ever had.

APPALLING SCENE Sir, - After living in this country for 13 years, it saddens me greatly to write that democracy here feels like a failed experiment. Threats of violence and acts of violence are now used on a regular basis as a way of dealing with one's political and religious opponents.

HANEGBI'S SPEECH Sir, - In your issue of June 25, your correspondent Liat Collins misrepresented Justice Minister Tzahi Hanegbi's disgraceful attack in the Knesset on Labor leader Ehud Barak.

and why you should have castigated him in an editorial, but that was not how he opened his speech. After citing a saying that "he who has butter on his head shouldn't go out in the sun," Hanegbi started with a most serious denunciation of Barak's behavior during his entire career.

ALL JEWS Sir, - I refer to Sam Meyer's letter of June 20, "Another religion," commenting on your editorial of June 13 regarding the violence of the haredi community against their Reform and Conservative brethren.

ZIONIST BACKGROUND Sir, - In your Independence Day Supplement, Meir Rommen wrote an article, "The way things were," in which he referred to my late husband, Leo Wissmann, as a refugee from Hitler. My husband was not running away from Hitler.

like all his family, and then go to Palestine to help build the country. In 1932, he was offered a job as manager in a small factory in Jerusalem and settled here in July of that year. That is not running away from Hitler.

Perhaps, but the religious Right should be pleased that the implicit politics of Disney's signature product, animated films, are still conservative. Consider Disney's latest film, Hercules. The first thing the audience hears is the rich and rumbly narration of Charlton Heston, Moses-turned-National Rifle Association honcho — that's a good sign.

'Hercules,' hero by choice

So the Southern Baptists are boycotting Disney for its alleged homophobic ireligion. That's their prerogative, but they'll have to wait in line. A look at the Boycott Board, a registry of targets for "leftist-progressive" ire posted on the World Wide Web, finds more than 30 companies and governments listed — including Disney.

heterosexual male. The female lead, Megara, is a white heterosexual female who is rescued by the hero and falls in love with him. To be sure, the film offers up some contemporary savvy; Megara is fully aware of melodramatic cliches.

History, Carlyle argued, "The history of what man has accomplished in this world is at bottom the History of the Great Men who have worked here."

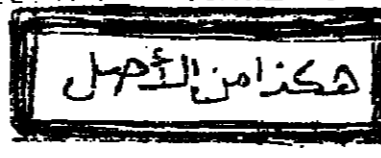
The Left's angry at Disney again, perhaps unfairly

are strong and women are weak, and that the former must risk everything to protect the latter. Out of this distinction came such tradition-affirming ideas as chivalry and courtly love.

THOMAS Carlyle (1795-1881) saw historical events not through the monocle of economics, but through the prism of action and style. In his book On Heroes, Hero-Worship & The Heroic in

And while the folks at Disney might not have brushed up on their Victorian writers as they scripted Hercules, they nevertheless created a Carlylean hero who chooses the strenuous and dangerous life because he wants to better himself.

The writer is a businessman living in Ra'anana.



GRAPEVINE

Thanks for the memories

By GREER FAY CASHMAN

Atara restored to former glory... declared the banner across Jerusalem's Ben-Yehuda Mall...



Yehoshua Matza (Isaac Harari)

smiles as old clients, some dating back to Mandate times, quickly filled all the available chairs...

For the grand reopening last Friday, Greenspan limited the menu to cakes and beverages...

QUOTING former prime minister Yitzhak Shamir, who was in the audience, Tel Aviv Mayor Ronni Milo said at the end of the Yiddishspiel premiere...



Cher (Reuters)

personal secretary who today moves in major financial circles, and Elimelech Rann, former Israel Television News head...

sador Mark Gelyn and his wife Joanna, German ambassador Theodor Wallau and his wife Renate, and Austrian ambassador Herbert Kroll...

COMEDIAN Shlomo Nitzan has a very plausible explanation for Health Minister Yehoshua Matza's decision to stay put instead of moving on to the Ministry of Tourism...



Shlomo Nitzan (Hanoach Guttmann)

pointed out to Matza that while there is no doubt that there will always be sick people, there is no guarantee that there will always be tourists.

SUPPORTERS came from all over the country to enjoy the hospitality of Canadian ambassador David Berger and his wife Monica...

"It was very easy to say yes," said a gracious Monica Berger. "My daughter thanks you for the party. She loves parties."

WHEN Bernice Beare, veteran supporter of Herzog Memorial Hospital, married Rabbi Ya'akov Rosenberg last April, two of his long-time friends from Philadelphia, Harriet and Mervin Hartman, offered to give them a very special wedding present...

THE institution of marriage certainly has something going for it. Four-times-married and four-times-divorced Country and Western



Kenny Rogers (Mario Castiglioni)

singer Kenny Rogers, undaunted by huge divorce settlements and alimony payments, is about to say "I do" for the fifth time.

IT doesn't matter how famous you are in Hollywood, you haven't quite arrived if you haven't got your own sitcom. Which explains why Cher is currently negotiating for one.

A kibbutz in Galilee hosts a Jewish festival for secular and Orthodox Israelis where religion isn't even an issue, Dan Izenberg reports

It was a sight to behold. In a packed lecture hall, women wearing tight slacks and belly-revealing T-shirts sat alongside women clad in hats and long, buttoned-up dresses...

This event, reportedly the first of its kind, was a "festival of Jewish studies" which brought together hundreds of secular and Orthodox people in the relaxed atmosphere of a summer resort...

Sherlo's lesson, not coincidentally, was entitled "The Secularism of Rabbi Kook." It was characteristic of the intellectual and emotional bridge-building that took place during the festival...

"Judaism is always conceived of as serious and heavy," said Elazar Sturm, the manager of Shorashim. "The color associated with Judaism is brown, like the covers of the classic Jewish tomes..."



atmosphere wasn't kitsch or syrupy sweet," he said. "Everyone who came stayed true to his own world. But the climate was not one of confrontation or discord."

Sturm chose the speakers and gave them free rein to pick their own topics. However, when one lecturer suggested a dry, academic subject, he instructed him to discuss instead a book he had written comparing Hassidic and Zen Buddhist stories...

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'We feel something is missing in the sanctification of secularism. We are looking for answers to why we stay here rather than move elsewhere.'

-Avi Nir, kibbutznik

PARENTING

Compulsive liar just trying to communicate

By RUTH MASON

I have a grandson, aged 10, who is normally well-behaved and a better-than-average pupil, but who repeatedly tells lies, sometimes to get out of trouble and at other times to obtain what he wants or to avoid doing his chores...

Alan J. Flashman, M.D., child psychiatrist and pediatrician, answers:

Your grandson seems to be having a limited but significant difficulty. I am assuming from your description that his lies are limited mainly to his parents. This may suggest a problem of trust in his home...

In such a case, the first approach would be directed at his closest family...

ily. Does he feel that his trust has been betrayed? Does he feel in some major way misunderstood? For example, does he feel his responses are to a move, or a mother's work, or a new sibling, leaving him feeling missed by his parents? Or does he feel that his parents are not sufficiently present, not keeping their word about promises (especially for individual attention) or even not keeping their word about punishments?

All of these situations are common backgrounds to the kind of problem you describe. Often parents who take the boy's lying as a communication - such as "I am feeling badly with you and I think you can do better" - can resolve the matter by talking with him openly.

If the parents feel this is beyond them, then a brief treatment would be a good idea. It would be best to turn to a therapist who works with both children and families.

But you have the second and more delicate problem of communicating with the child's parents. I would not

see the kind of story you describe as a sign of parental failure. Parents who take it as such may become unnecessarily paralyzed by guilt and shame. It would be important, and most likely true, to see the lying as a form of a vote of confidence by the boy in his parents. After all, he is lying to them and getting them to react. Parents are often less defensive

if they can imagine their children having more confidence in them than they may have in themselves.

Sam Orbaum's Not Page On column has been moved to Tuesday, Page 7. The column also appears every Sunday and Thursday.

A VERY DIFFERENT TWO DAYS ON THE GOLAN

Widely recognized as perhaps Israel's most important security asset, the Golan is for the moment on the back burner. But it won't be there for long. So what better time than now to join Shorashim and The Jerusalem Post Travel Club for an in-depth, English-speaking two day tour of the area...

We'll visit the museum at Kibbutz Tel Katzir, Mitape Nuksh, the Byzantine church of Kursi, Mount Bental, Kibbutz Afik, Emek Habacha. We'll pick blueberries to our heart's content, look at the reflooded Hula, view Nebi Yeha, Tel Kadeah, Ha'Eilat, the famous Bnot Ya'acov bridge, Khan Yarda, Kfar Hanassi and the wineries of Kibbutz Amiad. A truly magnificent tour. Overnight at Kibbutz Kfar Blum, with a lecture on the wolves of the Golan.

The date: Sunday-Monday, July 13-14. The guide: Israel Shalem.

The price: NIS 595. Includes transportation from Jerusalem or Tel Aviv and back, background lectures and on-the-spot explanations, entrance to all sites, half-board accommodation in a double room, lunch and dinner on the first day, breakfast and lunch-box on the second.

Pick-up and drop-off along the route when possible, by prior arrangement.

Reservations and further information: SHORASHIM, POB 7588, 14 Rehov Abarbanel, Rehavia, Jerusalem 91074. Tel. 02-566-6231 (9:30 a.m.-2:30 p.m.) Ask for Michal, Vered or Varda.

FOLK ON THE 4TH Jacob's Ladder Folk Festival Gan Hashlosha 4th & 5th July "Smokin Gun' Rides Again!!" Country & Folk Singers - Cathy Fink & Marcy Marxer - USA. First time in Israel - Live Cajun Band - Ti-Fer - UK. Many more!!

An evening of Swing and Be-Bop Jazz July 5 Concert at 21:15 Wine and Cheese at 20:30 With David Golek and his group Walter Blending Jr. - Tenor Saxophone David Golek - Guitar Barak Mori - Double Bass Shai Zelnan - Drums

Broken chord... UME GLOTTMAN... Ours would have been a perfect day except that suddenly, my son 'not Jewish'

# Legalities of free press

## Should the media pay for hard news?

WASHINGTON, D.C. (The Washington Post) — The networks proudly insist that they don't pay for information.

But sometimes they come awfully close.

When the National Enquirer signed a contract with the woman who gave birth at 63, both ABC and NBC began negotiating with the supermarket tabloid to buy her home videos and pictures. There was explicit discussion that buying the pictures would include an interview with the world's oldest first-time mom. ABC's "PrimeTime Live" signed a contract for nearly \$100,000, but later backed out.

"We had second thoughts about it because we believed there could be a perception that we were paying for an interview," said ABC spokeswoman Eileen Murphy. "We certainly had the expectation that we would interview this woman, although it was not in the contract. We became very uncomfortable with the notion that people would think we made a deal and were paying for an interview." There are several ways for news organizations to circumvent their restrictions on paying for stories. They can buy book excerpts or tape the source as a consultant. And in the case of 63-year-old Araceli Keh, shows, if the story is tantalizing enough, some networks show will play footsie with the tabloids in an effort to secure an exclusive TV interview.

"As soon as the networks realized we owned all the rights to this woman, our phones started ringing off the hook with offers to buy up the package," said Enquirer Editor Steve Coz. The Enquirer bought the California woman's story in April for what sources say was \$150,000, with a \$50,000 option on follow-ups. Keh's attorney, Nathan V. Hoffman, says Barbara Walters and Dan Rather personally called that Keh, who initially tried to remain anonymous, wanted to secure "some financial benefit for the story."

Executives at "Dateline NBC" also negotiated with the Enquirer but "ultimately declined" a deal, an NBC spokeswoman said. In the end, the syndicated "American Journal," which makes no bones about paying for interviews, bought the pictures and got the first TV interview with Keh.

Time Managing Editor Walter Isaacson also declined to buy Keh's photos: "It was a way to get me to pay for an interview. No matter how you try to cast it publicly, in your heart you know what you've done."

Ed Wasserman, chairman of the Daily Business Review in Miami, has found a way to get the Miami Herald's attention. Furious that the Herald declined to credit his paper in reporting on a local scandal, he spent \$5,000 for space on a full-board facing the Herald's Biscayne Bay building. "Following the Leader," it said, with pictures of the two stories.

Wasserman's 10,000-circulation paper started writing last fall about changes in management by Carmen Luneta, director of the Port of Miami. The Herald, during the same period, began pursuing alleged improprieties involving Luneta and his boss, when Luneta resigned. When the Herald's story came out, another Herald reviewer wrote, "The Herald's review of records showing that port funds were misused."

Wasserman's attorney said he had blazed the trail for the Herald's "outreach" by calling up and confirming the facts does not constitute an enterprise journalism of the first order," he said.

Herald Editor Doug Clifton dismissed the "billboard" as "wacky." He said the Herald had done "some pretty decent reporting" on financial aspects of the port but that it was the Herald's months of corruption stories that led to Luneta's resignation. "Ed wants to think the stories they wrote did it," said Clifton. "The internet seems to be making

foreign censorship laws all but obsolete. A judge in Chile recently slapped a gag order on journalists covering a sensational court case involving a major drug trafficking ring. But that didn't stop the country's largest newspaper, La Tercera.

Using an intermediary in New York, the paper launched a World Wide Web site to continue reporting on the case. Since the site is based in the United States, it is beyond the reach of Chilean law. La Tercera advertised the Web address in the paper this way: "All the news from Chile that currently is somewhat difficult to get." The site was drawing 45,000 hits a day.

"Chileans can keep up with a case that has had a tremendous impact down here," said Editor Fernando Pastore, who claimed victory when the judicial ban was lifted late last week. "In American terms, this would be equivalent to having set up a (Web) server in London to publish the Pentagon Papers."

A front-page New York Times story last weekend on environmental activists beating up on Vice President Al Gore was mysteriously missing a byline. It was written by Richard Berke and John Cushman, but ran afoul of arcane Times rules about the degree of effort required for a double byline. After several hours of high-level debate, insiders say, Berke chose anonymity rather than claim sole credit for the dual effort.

CNN reported recently that drive-by shootings in Wichita, Kan., had increased by 3,000 percent.

Turns out the number of such shootings there has been falling steadily since 1993. The network was relying on statistics that were more than three years old.

But CNN did more than retract the story. After the local chamber of commerce raised a fuss, the Associated Press reported, CNN executive David Bernkopf flew to Wichita to apologize in person.

If this starts a trend, some media executives could be racking up plenty of frequent-flyer miles. — Howard Kurtz

# A river runs between them

## New York feels New Jersey is trying to steal businesses away from it



New Jersey Governor Whitman: Poaching?

(Debbie Taylor-Zimelman)

Shortly after Gov. Christie Whitman took office in 1994, she and Mayor Rudolph Giuliani agreed to end the economic border war that has always plagued their two governments. New York promised not to steal companies away from New Jersey, and New Jersey said it would keep its hands off New York.

All was quiet until this spring, when New Yorkers woke up to ads promoting the Garden State. Bristling at Jersey's ad campaign, which city officials claim enticed companies to relocate across the Hudson, New York retaliated with ads of its own, threatening to ignite the economic war of war that the two sides had hoped to avoid.

New Jersey officials said that they were confounded by New York's response. They said that their ads were part of a national campaign and were not aimed at their neighbor, even though the ads often appeared in the New York market programs like "Good Morning America" and "Today." "Is this poaching? Not in the least," said Peter McDonough, a spokesman for Governor Whitman. "We are just extolling the virtues of New Jersey."

But New York sees the ads as an act of bad faith. "We view this as a violation of our no-poaching agreement," said Russell Harding, executive vice president of the New York City Economic Development Corp. "We could not let this go without a response." The \$1 million New Jersey campaign, which was scheduled to end Monday, aired on New York and Philadelphia radio and television stations. The television ads showed scenic shots of the state while an announcer said, "New Jersey has

always been about growth. And not just on our million acres of farmland. New Jersey's growth is also evident by the thriving businesses that call the Garden State home. So if you're looking to relocate or expand your business, find out how New Jersey provides the ideal business climate."

The New Jersey ads infuriated New York officials. In April, when Charles Millard, the president of the city's Economic Development Corp., heard that New Jersey was planning the campaign, he confronted Governor Whitman at a business breakfast where she was the guest speaker. Governor Whitman, after all, had seemed upbeat about the no-poaching agreement when it was reached in 1994. "It's in the best interests of my state and New York to work together," she had said then.

So at the breakfast, Millard said he asked her if New Jersey was moving ahead with its ad campaign and, if so, was that not a violation of their agreement. Millard said the governor told him that the ads would run nationally and were not aimed at New York.

Millard had his doubts. The city was already wary of New Jersey because of letters the state had sent New York businesses offering tax breaks.

When the Economic Development Corp. confirmed that the New Jersey ads would run in New York, Millard said he gave the go-ahead to begin the city campaign, which also cost about \$1 million.

The city's ads, narrated by the actor Tony Roberts, were produced in less than six weeks by Partners & Shevack, a Manhattan advertising agency. The ads highlight the advantages of doing business in New York and ran on essen-

tially the same shows as the New Jersey ads.

New Jersey officials said that it was all a misunderstanding, starting with what Governor Whitman said at that breakfast. McDonough said the governor had actually told Millard that the ads would run outside of the New York metro area, not that it was a national campaign.

"Philadelphia qualifies as outside the New York metro area," McDonough said.

And he said that the state could not help that the ads ran in New York. Job retention was also an aim of the campaign, but because New Jersey receives network broadcasts primarily from New York and Philadelphia stations, McDonough said the ads had to be placed in both markets in order to reach New Jersey business owners.

McDonough also said the letters to businesses that New York finds threatening are part of a business expansion program that gives a tax rebate to companies that create or bring new jobs to the state. He said New York was not targeted with letters but that some city businesses contacted New Jersey, requesting information about the program.

New Jersey says it has no plans to run the ad campaign again, and officials say they feel the 1994 agreement is still in place.

New York, however, is not so sure. Millard said that he would wait to see what New Jersey does next. "New York will do what it has to do to protect jobs," Randy Mastro, a deputy mayor of New York, would not say if the city considered the no-poaching agreement dead. Then he said, "In the final analysis, New Jersey is still New Jersey and New York is the business capital of the world." (New York Times)

### ARAB AFFAIRS

# Algerians stand up to fanaticism

Fifteen-year-old Ahmed Sahali stood in the ruins of this hamlet, a faraway look on his face, as though he could still hear the murderous rampage. Three weeks earlier, he had been asleep when 40 armed Islamic militants slipped down from the mountains, across the ripened wheat fields and through the orange groves to raid the 12 brick farmhouses that were Ahmed's world.

For 30 minutes, while Ahmed huddled in a hole beneath the floorboards of his house in horror, he listened to gunfire, explosions and the shrieks of his neighbors before their throats were slit. In the short time it took the civil militia to arrive, 34 people in Haouche Faner had been slaughtered. An 80-year-old man and a young mother, her throat slashed and still clutching her slain 4-month-old, were among those slain by the Islamic militants.

"Not a single government in the world would tolerate these people," said Ahmed's father, Mohammed Sahali, who managed to protect his family through judicious use of an old double-barreled shotgun.

"They hide out like rats," he said of the militants, nodding toward the cedar-covered mountains in the distance. "They are rats." The barbarity of the war between Algeria's government forces and Islamic extremists has shocked the world. Massacres of villages, death squads, car bombings and mass arrests have turned the country into a place of near-mythic terror.

And yet with increasing confidence, authorities here believe that, through a combination of military might and moderate reform, Algeria has turned the corner.

Last month — for the third time in three years — national elections have been held in relative peace, as the military-backed government of President Liamine Zeroul methodically builds what it says will be a new democratic system. And while the country is permeated with fear, many people lead seemingly normal lives — going to the beach, attending parties and pursuing professions and studies with fatalistic determination.

No journalists have been killed in six months — progress in a

country where 67 were slain in the past five years. Government spokespeople now wax optimistic about a return of foreign investment and a revival of tourism — brave talk in a land where foreigners are targeted for death and more than 100 have been slain since 1992.

While others were writing the government off, seeing it going the way of the late Iranian shah's regime, Algeria's rulers showed themselves ruthlessly willing to use their 100,000-member army, ample gendarmerie and other means at the disposal of an authoritarian state to keep the Islamists at bay.

At least 60,000 of Algeria's 28.6 million people have died in more than five years of conflict. The killings have been blamed for the most part on the Armed Islamic Group and other Islamic offshoots, whose targets have included working women, unveiled women, government employees, journalists, academicians, Roman Catholic clerics and even Islamic theologians who did not meet their fundamentalist criteria.

But the government response has been fierce. It has been criticized by international human rights groups for alleged torture and extrajudicial murders, and censured for acts such as the killing of 99 inmates of Algiers' Serkadji prison two years ago in what authorities explained as an attempted escape.

Newspapers hostile to the government are often closed, or find that printers are no longer willing to accept their business. Thousands of people under suspicion of links to the militants have been arrested.

Others have simply disappeared. But the regime's policy of "eradication" — shorthand for wiping out the violent Islamic threat — has been implemented simultaneously with cautious democratic reforms.

In 1995, the country got its first elected president; in 1996, a popularly endorsed amended constitution; and in June, its first multiparty Parliament, with moderate Islamists and other opposition parties taking over 40 percent of the seats.

Between the regime's use of the iron fist, its halting steps toward democracy and the widening per-



Can Algeria reconcile tradition and modernity?

(Reuters)

ception that extremist Islamic factions have been wallowing in mindless violence, support for the Islamists has ebbed and the government has bought itself time to improve living conditions and restore stability, some Western diplomats believe.

"Repression works," one diplomat commented wryly — at least in the short term. Falling fortunes for the Islamists

do not necessarily translate into support for the government. The real story in Algeria may be the emergence of a centrist mood that rejects the violent tactics of both sides and urges a new national dialogue that includes the now-banned Islamic Salvation Front, whose anticipated electoral victory in 1992 caused the government to cancel elections, triggering the current violence.

Eight of the nine opposition parties elected to Parliament in June support negotiations over force to solve the country's crisis, and the imperative to restore peace appears to have been uppermost on the minds of the voters.

Whether the country succeeds in defeating violence and restoring stability has ramifications beyond Algeria itself. "To think of Algeria as a prob-

lem only on the far side of the Mediterranean is fairly shortsighted," and not just because of the gas and oil it produces, one Western diplomat said.

Senior government officials defend the decision to halt the Islamist takeover in 1992, likening the use of the ballot box by the Islamic Salvation Front to Hitler's rise to power in Germany. If the Islamists had not been stopped, the argument goes, Algeria would have lost its only chance at democracy and been turned into a theocratic autocracy.

"On behalf of democracy, their aim was to kill democracy," said Lahcens Moussoui, a secretary of state in the Foreign Ministry.

He said he feels that the government has been vindicated in its choices, and he portrayed the militants as isolated because their violence against civilians has boomeranged, estranging them from the people. Violence will continue for some time, he said, but in the long run the violent extremists will be defeated. "The population is not following them; even more, the population is fighting against the terrorism," Moussoui declared. "Whole villages have been killed — old ladies and children. How can anybody be with them?" But others suggest it is all shadows within shadows. No one really knows who is doing what to whom, and why.

"You cannot make a judgment," said one journalist wearing an Islamic head-covering. Her husband, also a journalist, was assassinated in 1994, leaving her to bring up their child. "If someone asked me today who killed Omar, I would have to say I don't know," she said quietly.

Sympathizers of the Islamic Salvation Front insinuate that much of the violence attributed to Islamists is committed by government forces. "Killers are numerous and everywhere," said a lawyer who represents one of the most prominent Islamists. "All Algerians, without exception, live with fear." But you might not think it to see young people on the beach in Moretti, about half an hour's drive west of Algiers. In Moretti, where the blue waves lap against white beaches lined with tidy tourist bungalows and pizzerias, you might forget there is a

conflict, or even that you are in the Middle East.

Mixed groups of sun-bronzed teen-agers in scant bathing suits cavort on the sand, and couples kiss and hold each other. The scene would not be out of place in Europe or California but would constitute a scandal, and even grounds for arrest, in many Islamic countries.

Algeria's puritanical Islamist leaders would no doubt be appalled, which may explain why bombs have exploded recently on the street outside of several cafes nearby. Roads leading to the beaches are controlled with concrete barricades and military checkpoints, but the youths seem to delight that they have salvaged this bit of fun from an otherwise grim Algerian reality.

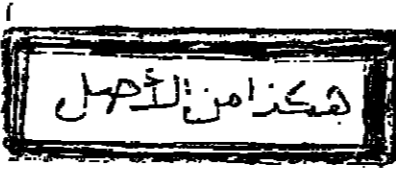
"We go to the beach. We swim. We have parties. Everybody enjoys themselves," Wassila, a 17-year-old high school junior, breezily explained.

But some things have changed. For two years, Wassila said, her family kept her indoors because they lived in Baraki, an area near Algiers that was "hot" with Islamists. Then last year, they had to move.

It happened this way, she said. In November, a nice-looking young man from their neighborhood knocked at the door and politely asked to see Wassila's father, a mechanical engineer. Once inside, the young man took out a pistol and showed it to the older man. He issued a warning: Wassila's father should refrain from smoking and Wassila and her sisters should start covering their hair, according to the Koran. Faced with the threat, her father decided they should leave. They departed before dawn the next morning, and have settled in Bréh-Aknoun, a relatively safe suburb in Algiers that is firmly in the government's control.

The young beachgoers are relieved that the Islamists so far have been blocked. "If there was an Islamic state here, I would kill myself," said Elias, a young man in sunglasses.

To which Elira, one of a clutch of teen-age girls standing nearby, chipped in reassuringly: "Never, ever would we have an Islamic state," she said. "Someone will always stop them." (LA Times)



Advertisement for MBE (Making Business Easy) featuring text like 'INDUSTRY LEADER', 'BEFORE HARD-EARNED BUSINESS', and 'Making Business Easy'.



Wednesday July 2, 1997

# BUSINESS & FINANCE

## BUSINESS

in brief

### Elsint, GE subsidiary launch joint venture

A 50/50 joint venture established by GE Medical Systems, a subsidiary of American industrial giant General Electric, and Elsint Ltd. began operating in Haifa yesterday. The operation, known as ELGEMS, will engineer and manufacture nuclear medical imaging products that will be distributed independently by both partners under their respective brand names.

Jennifer Friedlin

### Manov-Com unveils telemarketing software

A new system designed to facilitate telemarketing methods was displayed last week by Manov-Com, which has developed a computerized system together with Tadiran, Oracle, Multicall and other companies. The program, B2B (Business to Business) for Windows 95, was developed to allow companies to sell to a larger number of clients and provide them with better service. The system enables companies to collect information and to give a speedy feedback to clients via telephone exchanges, the company said.

Raine Marcus

### Rishon gets new water purification system

The city of Rishon LeZion has invested \$500,000 in a new water purification system. Developed by Tel Aviv-based Nitron Ltd., the system is designed to purify 100 cubic meters per hour, the company said. The technology on which the system is based was developed by a subsidiary of Japan's Mitsubishi. Nitron received the license to use the technology and to sell it in Israel, the greater Middle East, Greece, Turkey and Cyprus.

Jennifer Friedlin

### Nile canal project may last 20 years - Mubarak

A project to create a vast canal flowing from the Nile River into Egypt's Western Desert could take as many as 20 years to complete, President Hosni Mubarak said yesterday. The project, known as the New Delta, will divert water from Lake Nasser behind the Aswan High Dam and link a string of desert oases through a canal that may stretch more than 500 kilometers. Some 12 kilometers have been dug since the project was launched in January.

"We're taking one step after another," Mubarak said during an inspection of the site, 120 kilometers northeast of Abu Simbel. He estimated the entire project, which will eventually include roads, schools, hospitals and land reclamation, could take 15 to 20 years to complete.

Critics have argued that the estimated \$1.6 billion to build the pumping station - the world's largest - and the canal would be better spent reclaiming land closer to the more developed Nile Delta.

AP

# Budget surplus trend offset by NIS 2.9b. June deficit

## First-half deficit totals NIS 2.9b.; forex reserves hit record \$17.7b.

By DAVID HARRIS

The government posted a higher-than-expected NIS 2.937 billion budget deficit (excluding granted net credit) last month, for a first-half total of NIS 2.653b., according to initial Treasury data published yesterday. June's deficit came after three months of surpluses, which had contributed to a January to May adjusted surplus of NIS 284m.

In its overall activities the government has so far this year accumulated a NIS 3.136b. deficit, excluding granted net credit. The overall deficit target for all of 1997 is some NIS 9.604b. or 2.8% of the gross domestic product.

"This is seasonal increase and is explained by a variety of one-off payments," said Finance Ministry spokesman Eli Yosef.

The high June figure is down to six-monthly interest payments and

civil servants' vacation pay. Furthermore, it is suspected there were lower than anticipated tax revenues last month. Details of June's state income are scheduled to be published this afternoon.

Bank of Israel and Treasury economists predict the budget deficit will be considerably higher in the second half of the year than until now. The deficit could end the year as high as NIS 1.5 billion to NIS 2b. above the government-

set target. Bank of Israel research department head Leo Leiderman said on Sunday.

The government is about to embark on this year's round of pay-talks with the public sector. While saying it will attempt to prevent any real-terms increase in salaries, the Treasury is already facing pressure from the Histadrut to break that pledge.

Meanwhile, foreign currency reserves rose \$1.401b. to a record

\$17.793b. during June, the Bank of Israel announced yesterday. The increase is the result of activities in the private sector and banks during the first 17 days of the month, coupled with a continuation of foreign investments, according to a bank statement, which added that there was a change in this trend with the liberalization and exchange-rate mechanism changes announced on June 18.



Welcome to Jerusalem

Tourism Ministry Director-General David Litvak (left) and Jerusalem Mayor Ehud Olmert prepare to release balloons over the capital yesterday as part of a tourism promotion. Under the campaign, Israelis staying in the city's hotels and guest houses can receive discounts of up to 50 percent at a variety of local attractions and cultural sites. For information call 177-022-3424.

(Text: Haim Shapiro)

## Arison bids NIS 3b. for 34.5% stake in Hapoalim

By JENNIFER FRIEDLIN

The consortium led by US-based businessman Ted Arison has offered the government approximately NIS 3 billion for a 34.5% stake in Bank Hapoalim, with an option to double its holding, a senior executive at Arison Investments Ltd. said yesterday.

"We would like to see the government get out of the bank entirely," said the executive. The government controls 75% of Bank Hapoalim, the country's largest financial institution.

However, the government's inability to meet the August 18 deadline it set for awarding the tender could force the Arison group to rescind its offer.

"The groups participating in the tender won't wait forever," he said. "If the state fails to abide by the timetable for selling Bank Hapoalim, we will reconsider our course of action."

The Arison group, which is competing against a group led by US investor Jeffrey Keil and Israeli businessman Eliezer Fishman, has completed all of its due-diligence checks, submitted all of the necessary documents to the Bank of Israel and is currently negotiating a final price with MI Holdings, the government body in charge of privatizing the banks.

Under the Arison group's control, Amiram Sivan would remain general manager of the bank, the executive said, adding that it is still to early to discuss planned layoffs or appointments to the board of directors.

Ted Arison has a 34% holding in his consortium, while 60% is divided more or less equally between the Dankner Group, Claridge, businessman Len Abramson, and entrepreneurs Michael Steinhardt and Charles Schusterman, who are bidding together. The Hyperion fund holds the remaining 6%.

Last year, the Arison group bid for a 20% share in the bank with an option to double its stake. However, legal and political issues caused the group to withdraw its proposal.

In February, the government issued a new tender for the sale of control of Hapoalim, offering bidders an opportunity to gain a greater stake in the bank than the previous tender allowed.

Meanwhile, Arison Investments also announced yesterday that it has acquired 30% of the shares in Eurocom Communications, the Ramat Gan-based parent company of the privately held Eurocom Group, for an estimated \$20m. - \$30m. Eurocom Communications distributes a host of communications products and provides a variety of services.

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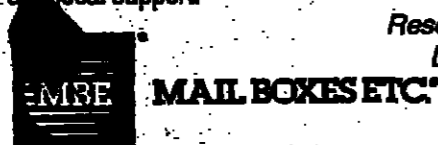
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By DAVID HARRIS  
Requests for and distribution of government investment grants in the first five months plunged to \$475 million, 37 percent below the equivalent 1996 figure.

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# Government: Applications for '97 investment aid down sharply

By DAVID HARRIS

Investments Center director David Baruch said yesterday. Speaking to members of the Knesset Finance committee Baruch reportedly described the fall in investments - both domestic and foreign - as "a catastrophe."

In his opinion, the decline in investments is not as a result of the government's decision to cut capital-investment aid from 30% to 24%, but rather the state of the economy.

"As long as the economy is shrinking, people aren't investing," said Baruch. "The pie isn't shrinking, just the percentages available to each investor."

In his overview of the year so far, Baruch also indicated that approvals of investments are substantially lower than in recent years (excluding 1996 when the Intel deal was approved). Approvals in the first five months totalled \$600m., a 45% decline on the comparable total in 1995.

In tourism, added Baruch, there was a 42% reduction in grant distribution until May.

However, there has been no decline in investments in high-tech, he stressed.

While most MKs described the figures as worrying, Michael Kleiner (Geshet-Likud) said it had been obvious that there would be these declines because of the reduction in size of government grants available.

"While that may be a small factor, it's impossible to explain such a dramatic decline like that," said MK Ophir Pines (Labor).

Likud leader in the committee Silvan Shalom also maintained the change in grant size is only a small factor. He cited the economic slowdown that began under the Labor government in 1996 as the key cause. He also said the government's wider policies may have had a small effect.

"According to the statistics we've received today we're entering a period of a downward trend in the per capita product, after years of increases," said MK Amnon Rubinstein (Meretz). "If this data doesn't move the govern-

ment of Israel then nothing will."

Rubinstein said that the reduction in grant size had made a "contribution," but in the main this is because of the general state of the economy.

"The report of the director of the Investments Center is the most serious indictment of the government concerning the future of the Israeli economy," said leader of the opposition on the committee, Avraham Shohat. "Investors are not coming nor will they come to invest in a country in which there is no political stability and where there exists a concrete danger of a breakout of war."

Dan Galai, joint managing director of Sigma Portfolio Selection Consulting & Management Ltd., issued a warning to the government not to change the parameters for the awarding of grants on a frequent basis.

He said the government must realize that Israel is competing with countries such as Ireland, where there are extremely good incentives for companies to invest. However, he added, that the less the government has to spend on grant aid, the better it is for the economy.

israel electric חברת החשמל

Request for Proposals (RFP), No. 9/119  
For Locating and Planning the Changeover of the Main Computer Systems to the Year 2000

Stage A - Submission of technical/commercial details without prices

The Israel Electric Corporation Ltd. (hereafter, "the Corporation") invites proposals for locating and planning the changeover of the main computer systems to the year 2000.

Preliminary Conditions  
Participation in the RFP is subject to complying with the preliminary conditions detailed in the Tender Regulations 1993, Para. 6(a) 1, 2, 3 (i.e., registration as required by law, compliance with mandatory specifications, and the holding of the permits required by law for transactions with public bodies).

The RFP documents and other information can be obtained at the Information Systems and Teleprocessing Division, 11 Sderot Pal-Yam, Haifa, 11th floor, room 1111, Sunday - Thursday, between 8 a.m. and 3 p.m., Tel. 04-861-5294 from July 3, 1997.

The documents are available on submission of a receipt in the amount of NIS 386 (includes VAT), demonstrating payment (non-returnable) for the documents into the Corporation's account at the Postal Bank.

Payment slips for making such payments are obtainable at the above address or by calling 04-861-5294. Before purchasing the tender documents, they may be perused at the above office.

Bids should be submitted in a sealed envelope and be placed in the tender box in the Pal-Yam Building, 11th floor.

Last date for submitting the RFP: July 31, 1997, at 1 p.m.

The Corporation reserves the right to negotiate with any bidder according to its sole discretion. No undertaking is given to accept the lowest or any bid.

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ISRAEL MONEY MARKETS

Patah (foreign currency deposit rates) (11.9.96)

Currency (deposit for)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	4.750	5.000	5.375
Pound sterling (£100,000)	3.875	4.000	4.250
French franc (FF 200,000)	0.800	0.880	0.900
German mark (DM 200,000)	1.825	1.825	2.125
Swiss franc (SF 200,000)	0.825	0.750	1.000
Yen (10 million yen)	-	-	-

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates\* (11.7.97)

CURRENCY	CHECKS AND TRANSFERS		BANKNOTES		Rep.
	Buy	Sell	Buy	Sell	
Currency basket	3.8292	3.8910	-	-	3.8493
U.S. dollar	3.5315	3.5885	3.47	3.64	3.5490
German mark	2.0227	2.0554	1.98	2.09	2.0348
French franc	5.8729	5.9577	5.77	6.08	5.9054
Japanese yen (100)	0.0032	0.0032	0.88	0.82	0.8036
Dutch florin	3.0735	3.1231	3.02	3.17	3.0670
Swiss franc	1.7968	1.8256	1.76	1.88	1.8075
Swedish krona	2.4118	2.4598	2.37	2.49	2.4277
Norwegian krona	0.4558	0.4832	0.44	0.47	0.4585
Denish krone	0.4914	0.4982	0.47	0.50	0.4852
Finland mark	0.5314	0.5400	0.52	0.55	0.5344
Canadian dollar	0.6789	0.6889	0.66	0.70	0.6826
Australian dollar	2.5580	2.6003	2.51	2.64	2.5685
S. African rand	2.6584	2.7013	2.61	2.74	2.6708
Belgian franc (10)	0.7790	0.7918	0.70	0.80	0.7840
Austrian schilling (10)	0.3904	0.3983	0.36	1.02	0.9851
Italian lire (1000)	2.8749	2.9213	2.82	2.97	2.8917
Jordanian dinar	2.0767	2.1102	2.04	2.14	2.0902
Egyptian pound	4.9810	5.0814	4.82	5.25	5.0926
ECU	1.0000	1.0900	1.00	1.09	1.0002
Irish punt	4.0398	4.0998	4.00	4.10	4.0391
Spanish peseta (100)	5.3403	5.4285	5.24	5.51	5.4736
	2.9937	2.9324	2.95	2.47	2.4077

\*These rates vary according to bank. \*\*Bank of Israel.  
SOURCE: BANK LEUMI

BUSINESS & FINANCE

TASE ROUNDUP Stocks jump; shekel gains

Mishtanim 290.32 ▲ 1.87% Maof 298.73 ▲ 2.27%

By ROBERT DANIEL Stocks rose as the shekel, which dropped more than 5 percent against the US dollar last month, strengthened and analysts said it would stabilize. At the same time, traders and analysts expressed concern that stocks might drop today after the government reported that it operated at a deficit in June. Gainers included Bank Hapoalim, Bank Leumi, Discount Bank, Teva Pharmaceutical Industries Ltd., Agis Industries Ltd., and Israel Chemicals Ltd. and Elbit Medical Imaging Ltd. and American-Israeli Paper Mills Ltd. lost ground. The Maof Index of 25 most-traded issues advanced 2.27% to 298.73. The Mishtanim Index of 298.73, the Mishtanim Index of 100 issues gained 1.87% to 290.32. Bank Hapoalim was the most active issue, rising 1.5% to NIS 7.59 as NIS 16.5 million traded. Bank Leumi added 0.75% to 5.49 and Discount jumped 3% to 3.88. Across the Tel Aviv Stock Exchange, NIS 151.2m. of shares traded. That's 30% less than last month's daily average of NIS 214.5m. About 2 1/2 shares rose for every loser. Teva climbed 0.75% to 233.63, while Agis added 1.25% to 38.44. Israel Chemicals gained 4% to 4.4. The company was rated "outperform" in new coverage by Lehman Brothers Inc. Bezeq rose 3% to 9.35. Elbit Medical shed 1% to 25.26. Hadera Paper fell 0.5% to 156.84. (Bloomberg)

ISRAELI SHARES IN NEW YORK

Table with columns: LAST CHANGE, ANEX, NASDAQ. Lists various Israeli companies and their stock prices.

MISHTANIM LEADING 100 TASE ISSUES

Table with columns: LAST CHANGE. Lists the top 100 Mishtanim index issues.

NYSE

Table with columns: LAST CHANGE. Lists NYSE stock prices.

WORLD MARKET ROUNDUP Paris up 85 points

LONDON (Reuters) - European bourses roared ahead yesterday, with Paris and Frankfurt hitting new peaks, lifted by a strong rally on Wall Street and a stronger dollar, which held out prospects of cheaper exports from Europe. The US currency itself took a slight breather as the European close after hitting a 40-month high against the mark. The startling rebound in European stocks was driven by domestic factors as well as the dollar and Wall Street. The biggest leap came in Paris, where shares climbed 3.0 percent to 2,944.04 on the CAC-40 blue chip index, eclipsing the previous intraday high of 2,903.18 set last Friday. "It has been storming ahead," said one trader. "There has been quite a bit of activity.... People are going into CAC-40 futures and a lot are going into the CAC-40."

MISHTANIM LEADING 100 TASE ISSUES

Table with columns: LAST CHANGE. Lists Mishtanim index issues.

MISHTANIM LEADING 100 TASE ISSUES

Table with columns: LAST CHANGE. Lists Mishtanim index issues.

NYSE

Table with columns: LAST CHANGE. Lists NYSE stock prices.

INTERNATIONAL SHARES

Table with columns: LAST CHANGE. Lists international stock prices.

INTERNATIONAL SHARES

Table with columns: LAST CHANGE. Lists international stock prices.

NYSE

Table with columns: LAST CHANGE. Lists NYSE stock prices.

WALL STREET REPORT Stocks mixed, Dow Industrials rise

NEW YORK (AP) - Stocks posted a mixed performance yesterday as investors grappled with mixed signals on whether inflationary pressures have eased enough to keep interest rates from rising. The Dow Jones industrial average rose 49.54 points to close at 7,722.33. The blue-chip barometer had briefly dipped into negative territory in the afternoon after giving back a 75-point morning gain. Technology shares and smaller company issues were mostly lower throughout the day. Stocks started the day flat, but the blue-chip sector quickly drew a boost from the bond market, where interest rates fell after reports suggesting moderation in factory activity and construction spending. The blue-chips gave back much of the day's gains in the afternoon, however, with the release of a report showing strong retail sales during June. Financial shares were among the Dow's strongest components; J.P. Morgan, American Express, and Travelers Group all posted sizable gains.

NEW YORK

Table with columns: LAST CHANGE. Lists New York stock prices.

NEW YORK

Table with columns: LAST CHANGE. Lists New York stock prices.

NYSE

Table with columns: LAST CHANGE. Lists NYSE stock prices.

US COMMODITIES

Table with columns: Last, Change. Lists US commodity prices.

LONDON COMMODITIES

Table with columns: Last, Change. Lists London commodity prices.

SPOT MARKET METALS (US)

Table with columns: Last, Change. Lists spot market metal prices.

NEW YORK METAL FUTURES

Table with columns: Last, Change. Lists New York metal futures prices.

LONDON METAL FIXES

Table with columns: Last, Change. Lists London metal fix prices.

PARIS

Table with columns: Last, Change. Lists Paris stock prices.

FRANKFURT

Table with columns: Last, Change. Lists Frankfurt stock prices.

**gains**  
Maof  
3 2.27%

**points**

d, Dow  
s rise



**Van Gogh sets new record**

A NUMBER of investors... will be offered by Christie's London on July 4...



Christie's London... will be offered by Christie's London on July 4...

**The Currency Thing**

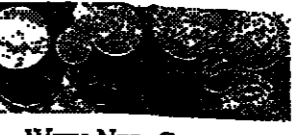
Forex borrowers took a beating last week

Every year a former employer of mine would say, "This is going to be the year the market crashes." Every decade or so he was right.

This year it is my turn to be right. When I was the business editor of this paper, the chief financial officer used to ask me for a forecast for the year-end shekel/dollar exchange rate. I always predicted a more rapid rate of devaluation than was in fact the case. I figured that purchasing-power parity and other such scientific measures of a currency's fundamental value would win through eventually. Finally, if only temporarily, they have, or at least have begun to do so.

A devaluation of the shekel is usually good for the stock market. Most big companies traded on the TASE export more than they import. Their receipts are in foreign currency, so in shekel terms they increase, while their shekel-denominated expenses — mostly labor — remain the same.

**PERSONAL FINANCE**



WITH NEIL COHEN

As I write, the dollar is in the midst of giving the shekel a bloody nose. After months and months of pressure on the dollar, when everyone believed that the shekel was a one-way bet, things have suddenly been turned on their head.

Lesson No. 1: One-way bets rarely stay that way forever. And when they do turn around, there is often very little warning.

To recap, many borrowers, particularly real-estate companies, watched how successfully a number of players bet on the interest-rate arbitrage. Simply put, what these people did was borrow in foreign currency against shekel-denominated liabilities. If you could borrow in Japanese yen, paying an interest rate of 1.5% per annum, you could effectively convert the yen into shekels and put the shekels on deposit, earning up to 16% per annum. If over a year the shekel was devalued against the yen by less than 14.5%, you would make a profit.

The most fundamental concern, however, is how the economy will react to the devaluation. Will there be a wholesale round of price rises and a demand to increase wages? This would lead to renewed inflation and a return to higher interest rates, upward pressure on the shekel, etc.

Going back about 18 months, it was a good bet. The shekel looked like it would stay strong for a while and in fact held up well. Players who got into the game — and out of it — early made a bundle.

In any event, I think it pays to keep one's stock portfolio solidly weighted toward companies with substantial exports and limited reliance on imports (we'll discuss this at greater length in next week's portfolio column). I also think it makes sense to keep a decent number of dollar-denominated stocks. That's as far as Israeli stocks are concerned.

But like in every other market, the dumb money came in late. Even when the smart money was playing the game, it was taking big risks. Interest rates don't usually move that fast or that sharply, but the currency markets can do so.

Another ramification of last week's events was that the Bank of Israel slightly relaxed restrictions on the holding of foreign stocks by Israeli institutions. It's too little and much too late as all the restrictions and tax disadvantages imposed on Israeli investors, both individual and institutional, on investing abroad should be abolished. As one commentator put it last week, imagine your reaction if someone suggested investing all your savings in the Malaysian stock market. You'd tell them they were nuts. Well, many of us, and the institutions to whom we entrust our savings, invest exclusively in the Israeli market. Any less nuts I'll let you answer that question. Anyway, a diversified investment portfolio, which includes a healthy component of foreign assets, is strongly recommended for those who are eligible.

If a month into the arbitrage, when you've only seen one-twelfth of the interest-rate benefit, the currency swings six percent, you can find yourself deeply under water.

Anyway, that's what just happened. And all the big borrowers of foreign currency scrambled for the exits, buying back their foreign currency and thus driving the shekel even further down.

This brings us to lesson No. 2: Borrowing in foreign currency to arbitrage local currency liabilities can be very profitable, but is also very risky.

Lesson No. 3 is that smart money comes in early, makes a profit and gets out. The dumb money sees this, gets in late and gets burned.

On a more mundane level, I want to address the savings and investment implications of what's been going on in the currency markets. It's been quite a while since we've had such dramatic currency swings (which have only compensated for the shekel's strength in the interim).

Most people have shunned anything not shekel-denominated over the past couple of years. I imagine there will now be something of a return to dollar and dollar-linked deposits. There was certainly a rush to dollar-linked bonds last week. I would suggest that even when the dollar isn't looking like the safe haven it is today, investors park some of their money in dollar or dollar-linked assets. Foreign-currency deposits placed abroad (again, by those who are eligible) have tended to pay better rates of interest than those here. This is due to a number of Bank of Israel regulations, which are likely to change to create an equal playing field.

One particularly good way to get the best of several worlds is dollar-linked convertible bonds of TASE traded companies. Your principal and interest are linked to the dollar, and if the underlying stock does particularly well, there is an upside there, too.

**MUTUAL FUNDS**

Fund's name	unit cost	redemption price	monthly yield (%)	1997 (%)	1999 (%)	assets (million \$)
<b>FLEXIBLE</b>						
Abl	215.18	211.36	+3.21	+21.85	17.8	
Allison Flexible	212.89	210.94	+2.55	+23.88	30.0	
Analyst Diversified	771.11	753.69	+4.59	+7.51	78.0	
Armedes	191.82	189.57	+4.68	+10.53	0.4	
Avira	1941.41	1908.08	+3.70	+34.08	2.5	
Bakuha Flexible	187.54	186.97	+2.54	+27.91	6.5	
Bloom Potashin Flexible	2747.09	2712.42	+0.96	+5.55	0.2	
Bonus-Sharon Flexible	175.28	174.18	+1.90	+20.57	18.5	
Capital Flexible	195.50	194.48	+3.74	+36.50	7.7	
Capital Flexible	134.14	132.51	+3.39	+31.48	10.5	
Evergreen Flexible	159.85	158.45	+4.28	+30.93	5.3	
Evergreen Flexible	3122.04	3080.97	+2.81	+28.98	34.5	
Evergreen Flexible	3225.10	3175.24	+3.75	+27.04	34.5	
Evergreen Flexible	3942.23	3892.45	+1.98	+22.55	7.1	
Evergreen Flexible	122.45	122.45	+5.49	+91.28	81.0	
Evergreen Flexible	157.28	155.84	+2.44	+32.32	30.0	
Evergreen Flexible	127.70	127.70	+1.83	+25.59	35.0	
Evergreen Flexible	321.60	319.70	+1.83	+25.59	35.0	
Evergreen Flexible	253.88	249.98	+2.15	+24.41	6.0	
Evergreen Flexible	138.18	137.45	+1.98	+27.04	34.5	
Evergreen Flexible	110.27	109.40	+7.44	+31.25	2.7	
Evergreen Flexible	126.18	125.45	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	
Evergreen Flexible	121.40	119.85	+2.44	+32.32	30.0	

Fund's name	unit cost	redemption price	monthly yield (%)	1997 (%)	1999 (%)	assets (million \$)
Evergreen shares	165.84	162.37	+5.77	+37.75	21.0	
Excelsior shares	268.03	263.28	+4.41	+35.95	9.5	
Excelsior shares	268.03	263.28	+4.41	+35.95	9.5	
Excelsior shares	268.03	263.28	+4.41	+35.95	9.5	
Excelsior shares	268.03	263.28	+4.41	+35.95	9.5	
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Excelsior shares	268.03	263.28	+4.41	+35.95	9.5	

Fund's name	unit cost	redemption price	monthly yield (%)	1997 (%)	1999 (%)	assets (million \$)
<b>COMPANY BONDS</b>						
Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
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Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
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Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	
Alkon bonds	333.78	329.68	+1.85	+15.93	82.0	

Fund's name	unit cost	redemption price	monthly yield (%)	1997 (%)	1999 (%)	assets (million \$)
<b>FOREIGN CURRENCY</b>						
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	
Alkon intl.	666.88	663.82	+1.26	+8.29	110.0	

Fund's name	unit cost	redemption price	monthly yield (%)	1997 (%)	1999 (%)	assets (million \$)
<b>STATE BONDS</b>						
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
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Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
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Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	
Alkon state	421.87	418.57	+1.20	+8.28	31.0	

SOURCE: METAV Ltd - Managers of Mutual Funds and Security Investments  
DATE: 29-Jun-97

# Montreal wins battle for Canada

**TORONTO** – The second round of interleague play got underway on Monday with Montreal winning the first-ever major league game between two Canadian teams.

Pedro Martinez tossed a three-hitter to outduel Pat Hentgen as the Expos claimed the first round in the battle of Canada with a 2-1 victory over the Toronto Blue Jays.

Martinez (10-3), who did not give up a hit until Alex Gonzalez led off the sixth with a single, walked one and struck out 10 in lowering his ERA to a major league-best 1.54.

"He's one of the nastiest right-handers I've ever seen," said Hentgen of Martinez. "Pedro was on top of his game."

Vladimir Guerrero belted a solo homer in the second inning and David Segui added an RBI triple in the sixth for Montreal, which improved to 6-1 in interleague play.

Mark Grudzielanek scored on Segui's triple when Otis Nixon lost the ball in the sunset.

Hentgen (8-5) also pitched well, allowing two runs and six hits with one walk and three strikeouts as he tied Martinez for the major league lead with his seventh complete game.

"He pitched a great game," said Blue Jays manager Cito Gaston. "If not for the lost ball, it would be 1-1 and we would still be playing."

Toronto got its lone run on a solo shot by Carlos Delgado in the seventh inning. Attendance at the SkyDome was 37,430.

**Tigers 14, Mets 0**  
Bobby Higginson hit three home runs and drove in seven runs and Justin Thompson allowed four hits in eight innings as Detroit won at home.

Higginson hit a two-run homer in the first, a three-run shot in the sixth, and another two-run homer in the seventh.

**Orioles 8, Phillies 1**  
Cal Ripken's second grand slam of the season highlighted a six-run third inning and Mike Mussina won his 100th game as host Baltimore ended its four-game losing streak.

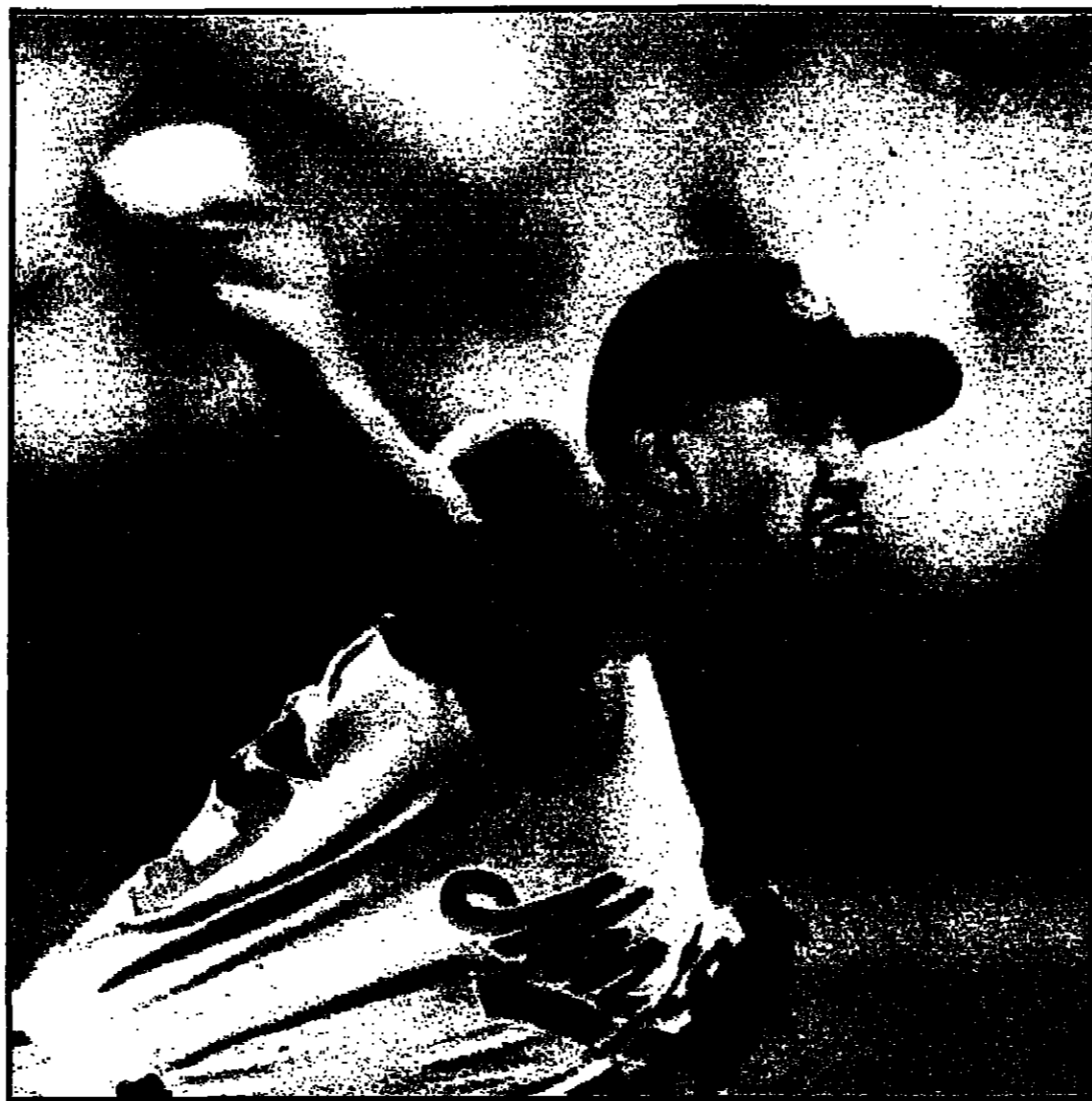
It was the seventh straight loss for the Phillies, who own the worst record in baseball at 23-56. Philadelphia is 1-6 against AL teams.

**Yankees 1, Braves 0 (10)**  
Luis Sojo singled home Joe Girardi from second base with two outs in the bottom of the 10th inning as the Yankees won a rematch of last year's World Series game.

Blanked by Tom Glavine for nine innings, the Yankees pushed a run across in the 10th to beat the Braves for the fifth straight time, including their four wins to recover from a 2-0 deficit in the Series.

Mike Stanton (5-0) struck out two in the 10th, and got the win. Mike Bielecki (3-4) was the loser. The attendance at Yankee Stadium was 39,887. (News agencies)

**Monday's Interleague Games:** Chicago Cubs 8, Kansas City 7; Montreal 2, Toronto 1; Detroit 14, NY Mets 0; Florida 8, Boston 5; Baltimore 8, Philadelphia 1; St. Louis 2, Minnesota 1; Cincinnati 4, Milwaukee 3; NY Yankees 1, Atlanta 0 (10); Cleveland 6, Houston 4; Pittsburgh 3, Chicago White Sox 1; Texas 3, Los Angeles 2; Colorado 11, Anaheim 7; San Diego 15, Oakland 6; San Francisco 8, Seattle 6 (10)



**TOP CANADIAN CLUB** – Expos' Pedro Martinez beats the Blue Jays, 2-1. (Reuters)

## Second-half collapse ends Israel's run

Nat'l hoopsters bow out of championship following loss to Greece.

By ELI GRONER

After kindling hopes over the weekend with two first-round victories, Israel lost its third consecutive game, 85-82 to Greece last night in Gerona, Spain, effectively ending its run at the European Championships. The Greeks' triumph was its sixth straight of the tournament.

The key moment came with just 29 seconds to play and the Greeks clinging to an 80-78 advantage. D. Papanikolaou missed his second free throw, but the Israelis, playing without a center, failed to secure the rebound. Nikos Ekonomou grabbed the loose ball and buried the ensuing free throws to ensure the victory.

It was a tale of two halves, and the Greek victory was due, in large part, to a second-half defensive clamp-down. After Israel scored 48 points in the first half, the Greeks held them to 34 in the second. Meanwhile, Ekonomou (20 points) and George Sigalis (16) provided plenty of second-half firepower. After turning the ball over only once during the first 20 minutes, the Israelis committed 10 turnovers in the second stanza.

Israel's fluid first-half offense became static after the interval. And while the Maccabi Tel Aviv trio of Nadav Henefeld (16 points – all in the first half), Doron Sheffer (21) and Oded Katash (29) were dynamite in the beginning, the second-half suffocation by the Greeks hindered Israel's collective performance.



Doron Sheffer (Reuters)

Especially frustrating was that – like in every other loss this tournament – Israel held a lead at one point. However, the Greeks, Lithuanians, Russians and Turks all made second-half adjustments, while Israel consistently collapsed.

With Turkey's 82-71 win over France last night, the four clubs to move to the next round are Greece, Lithuania, Russia and Turkey, while Israel can only ponder on what might have been.

Russia-Lithuania and Italy-Croatia finished their games after the press deadline.

European Championships Group E (in Gerona):			
	W	L	PF PA
Greece	6	0	464 419
Russia	5	1	404 334
Lithuania	5	1	404 373
Turkey	6	3	426 458
Israel	6	2	439 478
France	5	1	472 512

Group F (in Badalona):			
	W	L	PF PA
Yugoslavia	6	5	512 444
Italy	5	5	389 331
Spain	6	4	481 387
Poland	6	3	451 519
Germany	6	1	406 443
Croatia	5	1	372 359

## Bolton sign Elliott for club record fee

**LONDON** (Reuters) – Bolton Wanderers completed a club record signing yesterday when they bought utility back Robbie Elliott from Newcastle for £2.5 million.

Elliott, who can play both full back and midfield, accepted a four-year deal on Monday. Bolton subsequently agreed to final details with Newcastle.

The transfer was a relief for Bolton who had wanted Elliott for some weeks. "We hoped we could have sorted it out earlier but it's all signed and sealed and he reports on Thursday with everybody else," said a Bolton official.

Bolton's previous biggest payout was £1.5m for Middlebrough defender Neil Cox in May.

Meanwhile, Manchester United, already with its own place in soccer history having won the last three English Premierships, will make history again when it plays in Hong Kong in the wake of Britain's historic handover to China.

The champions will tour the Far East and will play a Hong Kong select side on Sunday, July 20.

# Tyson suspended, purse frozen

**LAS VEGAS** (AP) – Mike Tyson was temporarily suspended and his \$30 million purse frozen yesterday, the first step by Nevada boxing authorities in disciplining Tyson for biting Evander Holyfield during their heavyweight championship fight.

The suspension is a preliminary move until the commission meets next week to determine its final action.

Tyson was not present at the hearing. "We're obviously going to ask for some reason and judgment" at the hearing, Tyson attorney Marty Keach said.

He also wants to fight again. That's what he does for a living. That's what his whole life is based on," Keach said.

Tyson threw himself at the mercy of Nevada boxing regulators on Monday in the wake of his disqualification for biting Holyfield, saying he "just snapped" and will not contest any penalty the commission wants to impose. "I only ask that it's not a penalty for life for this mistake," Tyson said.

Asked if Tyson's apology might lessen his eventual punishment, commission chairman Elias Ghanem said it would not.

"Something bad happened in the ring. The apology doesn't change that," Ghanem said. "The thing I liked most is he said he needed some psychological and psychiatric treatment. I wouldn't look at it as mitigating anything," he said.

It is believed that Tyson will receive at least a one-year suspension, and be fined \$3 million. By law, boxing commissioners can only fine

Mike Tyson up to 10 percent of his purse, or \$3 million. But they can suspend him from the sport of boxing for as long as he lives if they choose.



Mike Tyson (Reuters)

A new federal law took effect yesterday that forces other states to honor any suspension that Nevada imposes. The commission also moved to cancel the check written to Tyson for \$29,824,600 from promoter Don King and asked that a second check be made out to the commission and put into an interest-bearing account.

Tyson apologized to everyone from the judge who sentenced him for his rape conviction in Indianapolis to boxing fans around the world for behavior he said even he couldn't explain.

Most of all, though, he apologized to Holyfield for the bizarre end to the fight. "Evander, I am sorry," Tyson said. "You are a champion and I respect that. I am only saddened that this fight did not go further so that the boxing fans of the world might see for themselves who would come out on top."

Standing alone in front of a lecture, his right eye still puffy and bandaged from the fight, Tyson spoke in a calm, yet vulnerable voice and took full responsibility for his actions.

For 4 minutes and 16 seconds, the most feared man in boxing pleaded for forgiveness and said he was seeking psychological help for biting Holyfield on the ears, taking a gash out of one.

"I have reached out since Saturday to ask my god to help me and to renew my faith as a true believer," said Tyson, who converted to Islam while serving his prison sentence. "I have also reached out since Saturday to the medical professionals for help to tell me why I did what I did. And I will have that help."

Holyfield, meanwhile, said Tyson's apology was "a good gesture." Holyfield believes Nevada officials should hand down a stern penalty. "Whatever punishment they give him will show what kind of commission we have," Holyfield said. "It has to be something to make a statement; otherwise, other people are going to be doing the same thing."

## Becker leads German trio into quarterfinals

**WIMBLEDON** (AP) – Former champions Boris Becker and Michael Stich swept into the Wimbledon quarterfinals today and were joined by a third German, 19-year-old Nicolas Pietrangeli.

It's the first time in the Open era that three German men have reached the quarterfinals of a Grand Slam.

Kiefer, a protege of Becker, pulled off one of the biggest upsets of the tournament when he knocked off third-seeded Yevgeny Kafelnikov 6-2, 7-5, 2-6, 6-1.

The eighth-seeded Becker beat No. 9 Marcelo Rios 6-2, 6-2, 7-6 (7-5) in Center Court, his fourth straight match without dropping a set.

Becker's quarterfinal opponent could be fellow three-time champion Pete Sampras, who led Petr Korda 6-4, 4-2 before play was suspended by fading light.

In another suspended match, Britain's Tim Henman was up two sets to one against defending champion Richard Krajicek, 7-6 (9-7), 6-7 (7-9), 7-6 (7-5).

Stich, winner here in 1991 and playing at Wimbledon for the last time before retirement, beat Mark Woodforde 6-4, 6-7 (7-3), 6-3, 7-5. On a day when play was interrupted three times by rain, Britain's Greg Rusedski, France's Cedric Pioline and Australia's Todd Woodbridge also advanced to the final eight.

Rusedski served 32 aces – the last coming on a second serve on match point – to down Richey Reneberg 7-6 (7-2), 6-4, 7-6 (7-4). In a match that had only one service break, Rusedski succeeded in equaling the tournament's fastest serve – 138 mph.

Pioline reached the quarters for the second time in three years by downing Brett Steven, 3-6, 6-3, 6-4, 7-5. Woodbridge upset fellow Australian and No. 12 Patrick Rafter, 6-7 (2-7), 6-4, 7-6 (8-6), 6-3.

In women's play, top-seeded Martina Hingis remained on course to become the youngest singles champion this century by downing Belgium's Sabine Appelmans 6-1, 6-3.

The 16-year-old Hingis needed just 66 minutes to complete a victory that came just before play was suspended by rain for the first time in four days.

Hingis remains in position to set a standard for youth this century at Wimbledon. The youngest singles champ was Charlotte "Lottie" Dod, who won at 15 years, 285 days in 1887.

"Nobody saw me as a favorite at the beginning of the tournament," Hingis said. "I got through pretty easily until now."

Anna Kournikova, another 16 year old, overcame Helena Sukova 2-6, 6-2, 6-3. Sukova double-faulted on match point.

No. 3 Jana Novotna reached the quarterfinals for the sixth time in her career by beating No. 11 Mary Joe Fernandez 5-7, 6-4, 7-5. Fernandez disputed several questionable line calls in the final set. French Open champion Iva Majoli, the No. 4 seed, scraped out a 6-7 (8-10), 6-1, 9-7 victory over No. 12 Irina Spirlea.

Eighth-seeded Arantxa Sanchez Vicario cruised into the quarterfinals with a 6-1, 6-3 win over No. 9 Mary Pierce.

## Squad selected for training camp in Austria

By DEREK FATTAL

National soccer team coach Shlomo Scharf issued invitations to 18 players yesterday for the forthcoming training camp that opens in Austria next Sunday. The squad is being assembled in preparation for next month's final World Cup Group 5 qualifying fixture in Sofia against Bulgaria.

Despite last month's defeat against Russia, Scharf is still adamant that his men can come home with a win, and has made no bones about the importance he is attaching to the camp. In a thinly-disguised warning to Itzhak Zohar, Tal Benin, David Amalem, Avi Nimni and Arzi Bendo who are all hoping to set up trials in the near future with European clubs, Scharf has warned that any player who misses camp can count himself out of the reckoning for the international team for the foreseeable future.

With key striker Ronen Harazi still embroiled in a claim for unpaid taxes by the tax authorities, he too could run afoul of the national coach's edict.

Gadi Bromer makes a welcome return to the squad after a long injury absence. Ronnie Rosenthal has been retained despite his advancing age and uncertain professional future, together with Felix Halflon, whose blunt comments after the Russia game caused some unease to his relations with Scharf. Golan Malul has been drafted to replace Betar Jerusalem goalkeeper Itzik Kornfein.

In transfer news yesterday, Hapoel Haifa agreed to terms with city rivals Maccabi Haifa for the purchase of first choice international goalkeeper Rafi Cohen and Moshe Glasm. As part of the deal, Hapoel's midfielder Ofer Tulker joins Maccabi.

Sports Editors: Joseph Hoffman and Ori Lewis

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CRITIC'S CHOICE

CLASSICAL MUSIC

MICHAEL AIZENSTADT

It is July then Zubin Mehta must be back to conduct the Israel Philharmonic Orchestra. This time he leads his musicians in three different programs with violinist extraordinaire Itzhak Perlman. The first program features Stravinsky's 'Le sacre du printemps' and the Elgar violin concerto.



Conductor Zubin Mehta is back on the podium with the Israel Philharmonic Orchestra in Tel Aviv and Haifa.

The strings division of the Young Artists Competition of the Voice of Music commences today and tomorrow (9 a.m.-6) with 13 young string players competing for the award at the Targ Center in Ein Kerem, Jerusalem.

FOLK MUSIC

HELEN KAYE

Smokin' Gun, Israel's only Country-and-Western band, disbanded but they're coming together again for a special benefit show for the AACF tonight in the Pub at the Crown Plaza Holiday Inn in Tel Aviv. In English at 10.

THEATER

HELEN KAYE

Yossi Banai, Avi Uriya and Sasson Gabai are three friends whose friendship is sorely tried when one of them acquires a white-on-white painting that is 'Art'. Yasmina Reza's urbane comedy is the very last show - so hurry. On the Shervor stage of the Jerusalem Theater at 9 p.m. (Hebrew)

FILM

ADINA HOFFMAN

\*\*\* DONNIE BRASCO - Director Mike Newell's film is based on the true story of an FBI agent (Johnny Depp) who goes undercover and infiltrates a powerful crime family for forging a deep and difficult-to-sever bond with one of its neediest members (Al Pacino). It is among the saddest mafia movies ever made, both in terms of the tale it tells and as a rueful acknowledgment of its belated place in American cinema history.

He's a sensitive outsider, unimpressed by the bluster and flash of the mobsters per se, but genuinely interested in the fate of a few individuals caught in the bloody swirl. Both Pacino and Depp give performances of tremendous longing and understatement, concentrating most of their feeling in the eyes. (English dialogue, Hebrew subtitles. Children under 17 not admitted without an adult.)

TV

CHANNEL 1

6:30 News flash
6:31 News in Arabic
6:45 Exercise Time
7:00 Good Morning Israel

EDUCATIONAL TV

8:00 Cartoons
10:00 Eric's World
10:30 My Life as a Dog
11:00 A Matter of Time
11:40 Hot Science
12:15 A.J., Time Traveler
12:40 Cartoons (rpt)
15:15 Gogo's Adventures with English

CHANNEL 1

15:30 Zappy Wave
15:33 X-Mas
15:50 Super Ben
16:00 Heartbreak High
16:45 Super Ben
16:50 Zappy Prize - live quiz
16:59 A New Evening
17:34 Zappy Wave - live broadcast from Sheraton water park
18:10 Super Ben
18:15 News in English

ARABIC PROGRAMS

19:00 Family Matters
19:00 News
19:00 News flash
19:00 News
20:45 Quiz of the Century
20:50 Conference
21:25 The Cape
22:09 Quiz of the Century (rpt)
22:10 No Man's Land
23:00 Pacific Station
23:02 Quiz of the Century - solution and the winner
23:30 News
00:00 Verse of the Day

CHANNEL 2

6:15 Today's programs
6:30 Pat Pat
6:30 Morning
9:00 Rivka Michaeli
9:55 Senora
10:45 Tom Sawyer - cartoon
11:40 Enchanted
11:40 Late night children's program
12:35 Genie and the Captain
13:00 Pilius - comedy skits
13:30 The Fresh Prince of Bel-Air
14:00 Degraasi Junior High
14:30 Tic Tac
15:00 Ich and Mitch
15:20 Madson
16:00 The Bold and the Beautiful
17:00 News magazine with Rafi Reshel
17:30 SportTV
18:00 Rosanne
18:33 Touched by an Angel
19:25 Prime Time
20:00 News
20:30 Caroline in the City
21:05 Wheel of Fortune
22:10 Backwards - new season
22:51 NYPD
23:20 Red Sonja (1985) - when Sonja's parents are killed by an evil queen, she seeks revenge. With Arnold Schwarzenegger
00:00 News
00:05 Red Sonja - cont'd
1:38 Harper (1966) - 1930s spy with a troubled marriage is

hired by a wealthy woman to find her husband. With Paul Newman

JORDAN TV

15:30 Holy Koran
15:30 Cartoons
16:00 Tennis from Wimbledon
19:00 News in French
19:30 News headlines
19:35 Graze Under Fire
20:00 Soldier's Diary
20:30 Challenges
21:10 Spenser for Hire
22:00 News in English
22:30 Cobra
22:15 American Gothic

MIDDLE EAST TV

7:00 TV Shop
14:30 The 700 Club
15:00 Gerbert
15:30 Dennis the Menace
16:00 Larry King
17:00 Family Challenge
17:45 Beakman's World
18:20 Perfect Strangers
18:35 Saved by the Bell
19:00 Showbiz
19:30 World News Tonight
20:00 Coach
20:25 Dave's World
20:30 Newsnight
21:15 Movie
23:00 CNN
23:30 The 700 Club
00:00 Quantum Shopping

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14:30 Tic Tac
15:00 Ich and Mitch
15:20 Madson
16:00 The Bold and the Beautiful
17:00 News magazine with Rafi Reshel
17:30 SportTV
18:00 Rosanne
18:33 Touched by an Angel
19:25 Prime Time
20:00 News
20:30 Caroline in the City
21:05 Wheel of Fortune
22:10 Backwards - new season
22:51 NYPD
23:20 Red Sonja (1985) - when Sonja's parents are killed by an evil queen, she seeks revenge. With Arnold Schwarzenegger
00:00 News
00:05 Red Sonja - cont'd
1:38 Harper (1966) - 1930s spy with a troubled marriage is

FAMILY CHANNEL (3)

7:00 Good Evening with Guy Fines (rpt)
7:30 Love Story with Yossi Siyas (rpt)
8:00 Dallas (rpt)
9:00 One Life to Live (rpt)
9:45 The Young and the Restless (rpt)
10:30 Days of Our Lives (rpt)
11:15 Zingara (rpt)
12:30 Barney Jones (1985) - when Sonja's parents are killed by an evil queen, she seeks revenge. With Arnold Schwarzenegger
00:00 News
00:05 Red Sonja - cont'd
1:38 Harper (1966) - 1930s spy with a troubled marriage is

CHANNEL 8

6:00 Open University (rpt)
6:30 Beyond 2000 (rpt)
8:30 Healthy Body (rpt)
9:00 Future Quest: Roboshov (rpt)
9:30 R. Strauss's Absolute Power (rpt)
10:20 Bellini's Capulet ed I
Montecchi opera
11:00 Secretes and Lies
12:15 Ravel's Piano Concerto
12:40 Skeleton Coast
Satari, part 4 (rpt)
13:35 The Big Game (rpt)
14:05 Mysteries.

CHANNEL 8

6:00 Open University (rpt)
6:30 Beyond 2000 (rpt)
8:30 Healthy Body (rpt)
9:00 Future Quest: Roboshov (rpt)
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Satari, part 4 (rpt)
13:35 The Big Game (rpt)
14:05 Mysteries.

PRIME TIME TV

Table with 8 columns (1-8) and 8 rows (19:30-23:00) listing TV programs and channels.

19:30 News flash
20:00 News
20:30 Quiz of the Century
21:00 Conference Call
21:30 Quiz of the Century (rpt)
22:30 Pacific Station

21:00 Santa Barbara
22:00 Star News
22:30 Picket Fences
00:30 Vegas
1:30 Oprah Winfrey

6:00 Executive Lifestyle
6:30 The Ticket
7:00 VIP
7:30 NBC Nightly News with Tom Brokaw
8:00 MSNBC News
9:00 Today
10:00 European Squawk Box
11:00 European Soccer: World Youth Championship, Malaysia - semifinal 1
12:00 Kattling: Euro Grand Prix, Italy
14:30 Wheelies Magazine
15:00 FunSports Magazine
16:30 Soccer: World Youth Championship, Malaysia - semifinal 2
19:30 Motor Magazine
20:30 Athletics: IAAF Grand Prix
21:00 Soccer: World Youth Championship, Malaysia - roundup
1:00 Golf: Women's EPGA Tour, Ireland

6:00 Motorcycling: Dutch Grand Prix
7:00 Tennis: Wimbledon - women's quarterfinals
1:00 Ladies' World League Soccer
15:00 Tennis: Wimbledon - men's quarterfinals
6:30 Nine to Five
7:00 Madeline Cooks
7:30 E! TV
8:00 The Wonder Years
8:30 Oprah Winfrey
9:30 Chicago Hope
10:30 Santa Barbara
11:30 The Bold and the Beautiful
12:00 Night programs
13:30 Lost in Space
14:30 Doogie Howser, MD
15:00 The Wonder Years
16:30 Secretes and Lies
17:30 Ravel's Piano Concerto
18:30 Star News
19:00 'Allo 'Allo
19:30 The X-Files
20:30 The Bold and the Beautiful

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18:30 Star News
19:00 'Allo 'Allo
19:30 The X-Files
20:30 The Bold and the Beautiful



CRYPTIC CROSSWORD

ACROSS
1 Writer gets a cut (4)
3 Girl takes half-day to jump over the waterfall (6-4)
8 Classes getting information before time (6)
9 Visit our remarkable musicians (8)
10 Scottish girl gives untruth about the doll (6)
11 Do not believe there is something off (8)
12 Day broke differently, it's noted (6)
14 Besides unending sleep was disturbed (4)
16 Good man with record pace (4)
18 Frenchman arranging the loan for a volatile liquid (8)
19 Thick twilled cotton cloth covers the mammal (8)

Crossword puzzle grid with numbers and some filled-in letters.

SOLUTIONS

CHARLESTON TRIM
MURDER
BUSINESS NORTH
D S E D
INSIGHT EDITORS
GARAGE INGRATE
L M R I E
IMPORANT GAMMY
E L L A C E S E A
ELLA NEWSSTANDS

QUICK CROSSWORD

ACROSS
1 Direct (8)
5 Nurture (4)
8 Pillar supporting streetlight (8)
9 Brandy (4)
11 Fashion leader (11)
14 Energy (3)
16 Town in NW Ireland (5)
17 Divide (3)
18 Made young again (11)
21 Air (4)
22 Supplementary text (8)
24 Freshwater duck (4)
25 Ceremonial garment (8)

Vertical text on the left edge of the page, including 'Jerusalem Post' and 'erman trio'.

# Hizbullah gunman dies in IDF ambush

By DAVID RUDGE

At least one Hizbullah gunman was killed in a clash with a paratroop unit on the edge of the security zone late Monday night. There were no casualties among the IDF troops involved in the incident, which occurred near Maidoun in the northeastern sector of the zone, and several gunmen were believed to have been wounded.

The incident brought to five the number of Hizbullah gunmen killed by IDF troops in the past week.

Military sources said the paratroopers spotted a Hizbullah squad in the area and took them by surprise. Hizbullah uses the route to penetrate the zone and carry out attacks on the IDF and South Lebanese Army.

According to the sources, the IDF aims to keep hitting Hizbullah as far away as possible from the Israel's northern border. This helps to undermine the confidence of Hizbullah's fighters, while thwarting their attempts to plant roadside bombs or carry out ambushes.

The success of the IDF tactics, said the sources, depends to a great extent on good intelligence and the element of surprise. The results in the past few weeks speak for themselves.

According to Lebanese security sources there were around 80 incidents in May - the majority being long-range Hizbullah mortar attacks on IDF and SLA posi-

tions. Last month the number of incidents was the same, although attacks which required infiltrating the zone to plant mines, roadside bombs, or carry out ambushes were fewer than 10 - even lower than the month before.

The IDF, however, is not becoming complacent over the recent successes and troops throughout the zone and along the northern border remain on alert.

Meanwhile, Lebanese officials reacted with scepticism yesterday to the reported proposal of Defense Minister Yitzhak Mordechai to create a multinational force, headed by France, in south Lebanon that would ultimately replace the IDF.

Lebanese Parliament Speaker Nabih Berri, who is also leader of the Amal Shi'ite movement, said the move was aimed at sabotaging relations between Lebanon and France.

Hizbullah leader Sheikh Hassan Nasrallah was quoted as saying that the proposal was aimed at undermining Lebanese-Syrian unity, as well as the "resistance" activities of his organization.

France is considered to be the best nation to lead such a force, because of its close ties with Lebanon and Syria. The French, however, have intimated that they would not even consider the idea without the consent of Lebanon and Syria, which is unlikely to be forthcoming.



Prime Minister Binyamin Netanyahu and Defense Minister Yitzhak Mordechai listen to Yona Baumel (gesturing) as Baumel's wife Miriam (right) looks on. (Brian Hender)

## MIAs' families mark 15 years since Sultan Yakoub

LIAT COLLINS and Nim

Fifteen years after the battle of Sultan Yakoub in Lebanon, the families of the three IDF soldiers missing since then held a vigil in the Wohl Rose Garden across from the Knesset yesterday, and demanded to know what had happened to their sons: Zachary Baumel, Yehuda Katz and Zvi Feldman.

They met with Prime Minister Binyamin Netanyahu, Defense Minister Yitzhak Mordechai, Chief of General Staff Lt.-Gen. Amnon Lipkin-Shahak and other senior IDF officers and politicians from both the Left and Right.

Netanyahu promised the families that their sons would be brought home, but he could not say when. "We will bring your

loved ones home," he said. "I don't know how long it will take, but we will bring them back."

The premier said there are two elements apart from the terror groups that are not cooperating. One is the Syrian government and the other is "an additional government which could influence certain bodies. We're in a situation in which there is no cooperation. We are operating all the intelligence-gathering means we have. We will bring the boys back home."

Yona Baumel, Zachary's father, said he has information indicating there is "a very reasonable chance that some of the soldiers are still alive. I could even mark on a map points in which they were held in certain periods." Without elaborating he added, "I'd say it is more in Lebanese territory than Syrian."

Like the other parents, Baumel demanded that the talks with the Palestinians include a demand that the soldiers be returned and that no security prisoners be released until the MIAs were brought home. "The solution is a political-diplomatic one. We know it and they know it," Baumel said.

The families and representatives of the International Coalition for Missing Israeli Soldiers all called on the government to make a greater effort to get the MIAs returned.

Penina Feldman, close to tears, told reporters: "Even if it is only a grave, I want him home. I'm scared that if I die, there will be nobody to fight for my son and worry about bringing him back. Whoever's in the government must ensure they return - either

dead or alive - at least to end this uncertainty. If every effort had been made, we'd already know what had happened to them."

Esther and Yehuda Wachsmann, whose son Nahshon was kidnapped and killed by terrorists nearly three years ago, also came to show their support.

"We went through three days of not knowing what happened to our son and I know what that was like, I can't even begin to imagine what it's like to have to suffer that for 15 years," said Esther Wachsmann.

Two Dutch women who have been involved in the struggle for the MIAs for some 18 months were also busy at the site. The women, Christa Rhodius and Jeannet van Duren, said they became involved "as mothers, for humanitarian reasons."

## New non-invasive heart op performed here

By JUDY SIEGEL

The insertion of two tiny umbrella-shaped disks to close a hole in the atrial septum of the heart has been performed for the first time in Israel this week at the Schneider Children's Medical Center for Israel (SCMCI). The procedure, performed in only 15 medical centers around the world,

makes complicated open-heart surgery unnecessary and the patient is sent home the next day.

The special catheterizations were performed at the Petah Tikva hospital on Monday by a team headed by Dr. Binyamin Ze'evi. They carried out the minimally invasive procedure on a nine-year-old and a 10-year-old, both of them suffering from atrial septal defects.

## Mordechai's French peacekeeper plan slammed in Knesset

By LIAT COLLINS

Defense Minister Yitzhak Mordechai yesterday clarified his comments about the possibility of a French peace-keeping force being sent to Lebanon, saying such a force would function in southern Lebanon along with the Lebanese Army, enabling the IDF to leave.

"If the French can strengthen the Lebanese government and army [so it can] take responsibility and deal with terror, deploy additional [forces] in South Lebanon, and fulfill our demands for quiet and security in Lebanon, I would be more than happy," Mordechai told reporters after a Knesset Foreign Affairs and Defense Committee meeting.

He stressed that Israel is only in Lebanon for security reasons - to protect the northern border and communities.

"It is our duty to make every effort in every way possible - indirectly and directly - to reach an arrangement in south Lebanon to create security for the northern communities," he said.

Most of the MKs in the committee, from Meretz leader Yossi Sarid to Moledet leader Rehavam

Ze'evi, attacked the suggestion as impractical. Sarid criticized Mordechai personally and said the plan would not work unless the Syrians agreed to it.

"If we want to get out of south Lebanon we have to make a deal with Syria, and the Syrians sit in Damascus - not Paris," he said.

Ze'evi warned that Israel is ignoring the threat from Syria.

MK Shlomo Ben-Ami (Labor) said the plan was similar to Netanyahu's "Lebanon First" plan, which had been rejected. He said the bloodshed in Lebanon could only be ended by an agreement with Syria regarding the Golan Heights.

Mordechai told reporters that he though he is continuing to call on Syria to return to the negotiating table, in the meantime no possibility should be ruled out in searching for a solution to the Lebanon problem.

On a different issue, a senior military intelligence officer told the committee that Iraq is trying to shake off the UN surveillance and has retained the knowhow and manpower necessary to produce chemical weapons.

"If the surveillance is removed, the threat will be resumed," he said.

## Moratinos move to Cyprus may signal Syrian track progress

By JAY BUSHINSKY

EU Peace Envoy Miguel Moratinos's decision to relocate to Cyprus next week has triggered speculation that the eastern Mediterranean island might serve as a venue for peace talks between Israel and Syria.

The Spanish diplomat's staff here attributed the move to "personal reasons," noting that his wife already is there and his children are on their way. A spokesperson stressed that he intends to maintain his Tel Aviv office.

However, the relentless pace of Moratinos's activities, his frequent shuttles between Jerusalem and Damascus and his detailed discussions with Israeli and Syrian officials suggest that some progress is being made towards getting the two sides to resume negotiations.

Last night, Moratinos had scheduled a private dinner in Jerusalem with the prime minister's political adviser Uzi Arad. Coming only three days after Moratinos's return from Syria, the occasion could offer a convenient opportunity to brief Arad on current Syrian thinking.

It also follows closely on the

proposal made by Defense Minister Yitzhak Mordechai in Paris last week, that French troops deploy in the security zone in southern Lebanon, to help the Lebanese army to take up permanent positions there.

Mordechai elaborated on his concept of a French peacekeeping force at yesterday's meeting of the Knesset Foreign Affairs and Defense Committee.

Under this plan, the French forces' presence in southern Lebanon would facilitate the eventual withdrawal of Israeli military units, assuming adequate safeguards were assured for the South Lebanese Army personnel in the zone.

An arrangement of this kind, however, would have to be endorsed by Syria. Moratinos could provide his good offices to that end.

Cyprus's traditional role as the Middle East's principal listening post is enhanced by its having permanent Israeli, Syrian and Lebanese diplomatic missions as well as United Nations officials and representatives of other international agencies able to maintain discreet contacts with all the parties.

## Livnat forces Bezeq to connect competitors

By JUDY SIEGEL

Communications Minister Limor Livnat yesterday instructed Bezeq to immediately connect Golden Lines and Barak's overseas lines to the telephone exchanges so they could open the new era of competition in international calls.

The ministry said last night that competition, which was to begin yesterday, would begin in "no more than a few days."

The problems resulted from Bezeq International's announcement to its customers of very low overseas dialing rates, "pending

approval by the Communications Ministry" that would undercut those the ministry had approved for its new competitors.

The ministry told Bezeq International - Bezeq's subsidiary for overseas calls - that the draft of drastically cheaper rates that it submitted could not be approved. Therefore, the company must hold discussions with the ministry to formulate a new rate schedule that "would allow proper conditions for opening the field to competition."

These efforts, said the ministry, are aimed at benefiting the customer and ensuring fair competition for the three suppliers of international

phone services.

Livnat expressed anger that yesterday afternoon, Bezeq workers applied sanctions and refused to hook Bezeq International's two competing consortia to the telephone exchanges.

This was wrong, she said, because a signed agreement "ensures Bezeq's financial stability and compensates the company for the loss of income due to competition."

She added that she hoped workers' sanctions "would not cause a cancellation of this agreement."

## No approval for Livnat cable TV proposal

By DAVID HARRIS

Communications Minister Limor Livnat's proposal to approve funding for five new cable television channels was put

on ice yesterday by the Knesset Economics Committee.

Committee chairman Elic Goldschmidt (Labor) said he has to seek a legal opinion as to whether it is necessary to agree to fund all

five at once, or as Avraham Poraz (Shinui) would prefer, consider the stations one by one.

Livnat asked for the committee's permission to allow the channels to be funded entirely through

advertisements. However, Poraz argued, it makes no logical or economic sense to agree to Livnat's request. Instead, relevant financial data must be provided regarding each of the stations.

### WEATHER

Jerusalem 19-32

Tel Aviv 22-30

Beersheba 20-36

Haifa 21-32

Tiberias 22-37

Afula 18-36

Samarit 22-32

Dead Sea 20-42

Eilat 27-41

Forecast: Clear.

### AROUND THE WORLD

	low	high	forecast
Amsterdam	11	18	clear
Berlin	14	22	clear
Buenos Aires	14	22	cloudy
Chicago	24	30	rain
Cairo	24	33	clear
Copenhagen	15	22	rain
Frankfurt	15	22	rain
Geneva	13	20	rain
Helsinki	13	20	rain
Hong Kong	28	34	rain
Jakarta	26	32	rain
London	12	18	cloudy
Los Angeles	18	24	rain
Madrid	11	18	cloudy
Manila	26	32	rain
Montreal	18	24	cloudy
Moscow	11	18	cloudy
New York	22	28	rain
Paris	12	18	rain
Rome	12	18	rain
Sydney	18	24	rain
Tokyo	18	24	rain
Toronto	14	20	rain
Vancouver	14	20	rain
Zurich	11	18	rain

## Winning cards and numbers

The winning cards in yesterday's first Chance draw (189/97) were the eight of spades, nine of hearts, queen of diamonds, and eight of clubs. The results of the second draw (190/97) were the eight of spades, eight of hearts, king of diamonds, and seven of clubs.

In yesterday's Lotto draw, the winning numbers were 13, 25, 27, 29, 39, and 49. The additional number was 10.

## Tel Aviv mortality rate leads country

By JUDY SIEGEL

The infant mortality rate in the Arab community has dropped rapidly since 1990, falling much faster than in the Jewish sector. This was revealed in a 329-page report, Health and Demographic Profile of the Settlements in Israel 1990/1994, issued yesterday by the Health Ministry and the Central Bureau of Statistics.

The report is the first to provide health statistics on all the settlements in Israel that have more than 200 residents, with two pages on each settlement.

The statistics show that the health gap between the Jewish and Arab populations remains large, although it is narrowing. The ministry, through its public health services, operates intervention programs aimed at reducing the gap even further. Since 1994, the ministry has been developing preventive medical care in the Arab and Beduin sector, setting up an additional 60 family health (ipar halav) centers and mobile clinics for Negev Beduin.

The ministry noted, however, that despite these efforts, many factors that affect health - including education, income, life style, and culture - are not in the hands of the health authorities.

The following are a few of the findings of the report, a copy of which can be obtained from the Central Bureau of Statistics:

- The highest mortality rate in the country is in Tel Aviv-Jaffa, with 11.7 deaths per 1,000 residents; the lowest rate is in Kalaanua, with 1.9.
- The highest infant mortality rate is in Arara, with 19.4 per 1,000 live births, compared to 4.2 in Herzliya.
- The town with the most found population is Rahat, with 6.7 children per woman, compared to 5.9 in Bnei Brak and Netivot; 3.8 in Jerusalem and only 1.9 in Ramat Hasharon, Kiryat Motzkin, Kiryat Bialik, and Giv'atayim.
- Safed residents are the most likely to be hospitalized, with 289 in hospital each year per 1,000 residents, compared to 207 in Haifa, 198 in Tel Aviv-Jaffa, and 144 in Jerusalem.
- The risk of having a low birth-weight baby is highest among the women of Rosh Haayin and lowest in Tira.

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Jerusalem, 5 Ya'akov Meir St., Geula, Tel. 02-5583855  
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Ra'anana, 98 Abuza St., Elron Center, Hazorfim Belgium,  
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مکان العمل

Goblins of...  
Crisis lingers after Levy, PM me...  
New method found to diagnose tumors...  
Do our readers...